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Capitalist Change and Generational Shifts
Ellen Meiksins Wood

"The State in a Changing World": Social-Democratizing Global Capitalism?
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Multilateral Agreement on Investment
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The Cold War World According to My Weekly Reader
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Books

Between Marxism and Pragmatism
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1949-1999 50 YEARS

Blacks, Whites, and Reds
Michael D. Yates

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NOTES FROM THE EDITORS

Even at the height of Hollywood's political consciousness, which ended in the notorious Cold War repression of the Hollywood Ten and many others in the industry, American movies usually rendered their politics in code. But there's nothing coded or coy about *Bulworth.* Whether you like the movie or not, whether you like its humor or not, its politics is definitely in your face. And, as far as it goes, that politics is much more left than anything we've seen in the U.S. for a very long time.

The movie has naturally provoked a lot of mixed reactions, even, or especially, on the left, but it's not our intention here to add yet another review of the film. The story here isn't the movie itself—its politics, its portrayal of black people, its content or its style—so much as the way it

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CAPITALIST CHANGE AND GENERATIONAL SHIFTS

NOV 0 2 1999

by ELLEN MEIKSINS WOOD

Change and Continuity

Ask anyone what single event has most decisively shaped the culture of the left in the late 20th century, and they are almost certain to tell you that it was the "collapse of Communism." Yet look at any of the dominant intellectual currents on the left today and you will find that, even while they invoke that historic Götterämmerung, they situate the great cultural and political rupture of our era somewhere else, and earlier.

It has become commonplace among left intellectuals to say that approximately twenty-five years ago, in the early 1970s, we lived through an epochal shift, the birth of a new era, a major qualitative leap different from the constant changes in the process of capitalist development. These left intellectuals may be Marxist economists or postmodernist cultural theorists, and they may call the new era by different names—most commonly either the age of "globalization" or the period of "postmodernity," or sometimes both together. But basically the same "epochal shift" runs as a kind of *leitmotif* through a wide spectrum of intellectual currents.

The general outlines of the so-called new epoch as it is commonly described are familiar to everyone. Seen from the angle of "globalization," the first and most important feature of the epoch is obviously international capital—a global market, internationalized production, a shift of sovereignty away from

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the nation-state to international agencies of capital. If there is one long-term historical process that explains all this, it is perhaps technological change, the advent of the information age. These developments have been reinforced, but were not caused, by the collapse of Communism, which no longer stands in the way of capital's global reach.

From the vantage point of "postmodernity," we see parts of the same picture: here too there is, of course, the information age; and the global economy does figure in it, at least at the margins. But the emphasis here is on cultural, ideological, and psychological shifts: the dissolution of all the old certainties, the disintegration of all moral and political foundations, the fluidity of "identities," the "de-centered subject." Again, while the "collapse of Communism" may have accelerated the retreat from all "grand narratives" and "Enlightenment projects," that historic rupture did not usher in the postmodern epoch.

On the face of it, these sketches of our current epoch seem plausible enough. Major changes *have* occurred in the capitalist economy since the end of the postwar boom. There have, for example, been dramatic developments in the system of international finance, in the concentration of capital on an international plane, and at the same time, an intensification of competition. And there have certainly been political changes, as the long drawn-out downturn which brought the post-war "golden age" to an end—something different from, or at least more protracted than, the classic episodic crises of capitalism—has, among other things, for the time being eroded the labor movement. Certainly we have to understand these developments in terms of their own historical specificities, their own specific contradictions and dynamics—as we would any other specific moment in the history of an ever-changing capitalism. But much depends on the vantage point from which we observe these changes and how we interpret them. There is, in particular, a very great difference between interpreting these changes as an epochal rupture in the essential logic of capitalism, and, on the contrary, regarding them as the logic of capitalism universalizing itself and reaching maturity.

Just consider the conventional sketches of our current "postmodern" and "globalized" epoch against the background of some famous passages from the *Communist Manifesto,* much quoted in this anniversary year. Tomorrow's newspapers, hot off

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the press, could (with some minor stylistic and ideological tinkering) happily appropriate Marx's account of "globalization": "local and national seclusion and self-sufficiency" have given way to the "universal interdependence of nations"; the internationalization of capitalism "batters down all Chinese walls" and "creates a world after its own image"; and so on. Even the current Asian crisis is prefigured in "the sorcerer who is no longer able to control the powers of the nether world whom he has called up by his spells.... It is enough to mention the commercial crises that by their periodical return put the existence of the entire bourgeois society on trial.... In these crises, there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity—the epidemic of over-production.... And who has ever surpassed Marx's own portrait of "postmodernity"?

> Constant revolutionizing of production, uninterrupted disturbances of all social conditions, everlasting uncertainty and agitation.... All fixed, fast-frozen relations...are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air....

No one can fail to be struck by the *continuities* between the world described by Marx and our own. The point, of course, is that these passages are not about the specificities of Marx's epoch. They are not, in fact, about *any* specific epoch of capitalism. They are about capitalism itself and in general.

If Marx could, with such uncanny prescience, and in ways so familiar to us, portray the basic features of our current epoch, one thing at least should be clear: the issue here is not just this or that stage of capitalism but capitalism's laws of motion, the systemic logic that has from the beginning governed its constant processes of change. The point is certainly not that capitalism on the eve of the 21st century is the same as it was in the mid-19th century. On the contrary, the point is that capitalism changes constantly but that its constant change is, and has been from the beginning, driven by an intelligible "logic of process"—a logic of process manifest in both its global expansion and in its constant disturbance of social conditions.

Why, then, are so many left intellectuals determined to talk about globalization as an "epoch" rather than as a *process*? Why do they insist on treating it as a historic rupture rather than as a process of change rooted in the systemic logic of capitalism from the beginning? Why are the continuities in this process being eclipsed by the discontinuities?

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Generations of the Left

The answer to these questions is undoubtedly complex, but one major part of the answer is certainly political —and that political answer has specific historical roots. The culture of the academic left today is obviously shaped not just by current conditions but by the historical experience of the people who dominate that culture, and we are still living in an academic culture shaped mainly by people who grew up politically and intellectually in the 50s and 60s. Of course, not everyone who talks about epochal shifts belongs to that generation, but I think its sensibility has permeated the whole academic culture of the left.

What, then, was distinctive about that period? The first thing that comes to mind is obviously the ferment of the 60s. And one obvious explanation for where the left of that generation is today has to do with their ultimate defeat. But exactly which defeat are we talking about? We can't pretend that the mainstream of the oppositional culture in the 60s was led by revolutionary socialists—certainly not in the United States—or that these are the people who have been most central in shaping the academic culture of the 90s. Whatever we may think about the fate of Soviet-style Communism, whether it represents a defeat or the death of an albatross, we can't, therefore, really explain very much by saying that the culture of the left today has been shaped by the failure of socialism, either before or after the "fall." What, then, can we say more generally about the 60s generation that might help to explain where we are today?

Let me focus on the United States—not because I underestimate the importance of May '68 or the radicalism of the 60s in other countries, but because the current intellectual fashions I'm talking about, even when they heavily rely on French philosophical authority, are most obvious and widespread in the United States. People reading this paper will have to make their own adjustments to the conditions of their own national experiences, but I think they will find that, *mutatis mutandis* (and despite the persistent ideological and political peculiarities of the United States), much of what I say about the United States may apply in general terms to other countries too.

The 60s generation, especially in the United States, grew up in what some people call the "golden age" of capitalism. And if there was ever a real historic shift in the 20th century, it was

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surely between the generation that grew up in that context and the previous generation. That earlier generation obviously had completely different formative experiences, the experience of the Great Depression and the Second World War. Their main experience of capitalism, and what they learned to think of as the normal state of capitalism, were economic crisis and war.

What about the postwar generation, then? What were their basic assumptions? What did they think about capitalism? I read an article a while ago by someone who had been a 60s radical in Britain and remains on the left (Alan Sinfield in *Radical Philosophy*). He suggested that many 60s radicals were "closet Keynesians." What he meant was that the revolutionary rhetoric of many people was not really about revolution or socialism. It was about delivery on the promises of 1945. It was based, he said, on the assumption that welfare capitalism was here to stay, but the 60s generation had hopes of vast improvements.

So what is really ailing the left today, he said, is not the end of Communism but the end of that hope. It is not, in other words, that the left has made peace with capitalism because (rightly or wrongly) it associates socialism with the failed experiments of Communism. On the contrary, the problem is that they associate socialism with the failed experiment of a relatively humane capitalism.

Now of course he was writing in the British context, where the promises of 1945 looked rather different than in the United States. After all, the 60s generation in Britain could look back at those working class soldiers who returned from the war to elect a Labour government, and some of those workers had really revolutionary expectations. But these comments on the 60s in Britain got me thinking about whether one could say something comparable about the United States.

There are some important differences, of course, and not just in the labor movements of the two countries. Many, maybe even most, radical students in the United States, and maybe even some who called themselves socialists, were not really thinking about the capitalist economy at all, in Keynesian or any other terms. Denunciations of corporate power and the state were no doubt very widespread. But for many people in civil rights struggles, or the anti-Vietnam war struggle, the main terrain of battle was not really the capitalist economy. There were, of course, anti-imperialist and black liberation groups that

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adopted Leninist or Maoist positions, and they may represent a special case, though even they, I think, had certain problems coming to grips with capitalism. But that's another story.

In any case, even some very radical anti-racist and anti-imperialist positions were not necessarily anti-capitalist. To the extent that people did think about the capitalist economy, many were probably thinking less about abolishing it than about including excluded groups in it. So it would not be unreasonable to say that they were, in a sense, closet Keynesians or unconscious social democrats (though since the United States has never really had a social democracy or a welfare state in the European sense, the emergence of such a formation would indeed have constituted a significant development). At any rate, I think it is probably true that the highest aspiration of many radicals of my generation, if they thought in these terms at all, was some more humane and democratic kind of capitalism—without racism and without imperialism but still basically capitalism.

But the situation is more complicated than that. Even if the "revolutionary" aspirations of many student activists stayed within the bounds of capitalism, powerful obstacles stood in the way of what they wanted from it. Whether or not they were anti-capitalist, they came up against the powerful forces of racism and of course, the Cold War. More particularly, they came up against the full power of the state, sometimes in fairly dramatic ways. So there was a disproportion between what they got and what they had to do to get it.

In other words, the fact that the 60s looked to some people like a revolutionary moment may have had less to do with the scope of their transformative objectives than with the opposition they confronted even to their more limited objectives. Important things were accomplished. But capitalism being what it is, the world did not get much better. In fact soon, when the postwar boom was over, and when capital went on the attack with a vengeance, things in many ways got worse.

So what I'm talking about here is the story of a historic disappointment. And for many, it *was* a disappointment in the failure of a more humane capitalism. The point I'm making is basically this: here we have a generation which had more reason to believe in the possibilities of capitalism than any generation before it, certainly more than people brought up in the 30s. But it also had its own very particular and historically specific rea-

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sons for being disappointed. In a way, people were disappointed and defeated as much by what they did achieve as by what they failed to achieve.

There's another point too. Many people of that generation, especially in the United States, had stopped expecting the working class to be the agent of change. This was true to varying degrees elsewhere too, but the United States may have been distinctive in the degree to which even the socialist left became convinced that consumerism had bought off the working class. Probably the most lasting intellectual legacy of that tendency has been the work of those who came to believe that they themselves, as students and as intellectuals, could replace the working class as the agents of history. For some, this may have aggravated the sense of historic disappointment. After all, if students and intellectuals were supposed to be the agents of revolution, the failure of the revolution was no one's failure but their own. But some took a different lesson from that failure. Instead of simple despair, they lapsed into a kind of hubris, an odd sort of defeatism combined with extreme intellectual arrogance: having given up on any social transformation, they shifted the terrain of "revolution" to the academy, to the academic politics of the text, replacing social revolution by postmodernist deconstruction and "transgression."

At any rate, whichever path they would ultimately take—"globalization" and TINA (There Is No Alternative), "postmodernity" and academic "transgression," or some other option—that generation may have been the first to come up against the real limits of capitalism. It may have been the first generation both to experience a relatively successful capitalism *and* at the same time to confront, in fairly dramatic ways, what capitalism even at its most successful cannot deliver.

Now there were two principal ways of reacting to that rude awakening—or to put it another way, it was a ruder awakening for some than for others. Some might have said in the first place that capitalism could *never* have delivered the better world the 60s generation wanted. But others might say that what capitalism could have delivered before it cannot deliver now. And why might that be so? Because we have lived through an epochal shift, a massive historical change, and that historic rupture has changed the basic logic of capitalism in some fundamental way.

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Against that background, it is not hard to see why the language of epochal shifts seems so attractive. Suppose you used to think that a humane capitalism was a real and sustainable possibility. It may even have looked like the inevitable outcome of capitalist development and progress, which just needed some help from popular struggles. It might then be perfectly natural to say not that there was something deeply unrealistic about that hope in the first place but that there has been a major historical shift, a fundamental change in the logic of capitalism, so that things are now impossible that were possible before. In particular, globalization thus becomes not a long-term historical process rooted in the basic dynamics of capitalism since the beginning but instead a new historical epoch, with a new and different capitalist logic.

In fact, it is almost as if some people have discovered capitalism itself for the first time. What they are calling a new epoch may be just the basic logic of capitalism asserting itself again after the exceptional, anomalous moment of the postwar boom. They may call it globalization or postmodernity, but it is really *capitalism* that seems to have been born for them in 1972, or thereabouts, and brought all their hopes to an end.

But suppose instead that, though you always supported the welfare state and all the major victories achieved by popular struggles within the capitalist system, you always doubted the long-term sustainability of capitalism with a human face. Suppose you always doubted the capacity of capitalism to sustain a really democratic and humane social order. Suppose you always thought that social democracy was a short and passing moment in the history of capitalism, that it was not the end result of capitalist progress but that it depended on very specific and transitory historical conditions. Suppose you always believed that capitalist imperatives of accumulation and profit-maximization place very strict limits on democracy, social justice, environmental health, and so on. Current developments might then look to you not like a major change in the logic of capitalism but exactly like the logic of capitalism as it has always been. Of course you would recognize many changes during the process of capitalist development, but you would have less reason to think of recent developments as a great historic rupture.

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Change and Contradiction

There is no question that capitalism has become more universal, more unchallenged, more pure and unadulterated, than ever before. But the universalization of capitalism looks very different depending on the point of view from which you see it. The globalization-as-epochal-shift model tends to see nothing but capitalist triumph. The globalization-as-historical-process sees what Marx saw: the system's fundamental contradictions, the contradictory logic of capitalist expansion. Seen from that perspective, globalization confirms Marx's expectation that every effort to overcome capitalist crisis paves the way for more destructive crises and narrows the options for preventing future ones. The contradictions of capitalism are manifesting themselves in new and aggravated ways precisely because the old ways of pulling out of crisis are, as Marx said they would be, less and less available, in other words, precisely *because* capitalism is so universal.

For instance, capitalism used to extricate itself from crisis by moving outward, by imperialist expansion. Now that capitalism has become virtually universal, the old forms of imperialism, colonial expansion by military force, are less available. The new forms of imperialism—financial control, manipulation of markets, debt, and so on—are more deeply rooted in the logic of the capitalist market and hence more subject to its systemic contradictions.

The universalization of capitalism means that more capitalist economies are entering into global competition, major capitalist economies are depending on export to almost suicidal degrees, and more competitors are producing for the same global market. At the same time, to make themselves "competitive," they restrict the buying power of the very consumers they are competing to reach. And instead of the creation of real use-values, phony wealth is being shuffled around at lightening speed, in a stock-market boom completely detached from material reality. Maximum profitability for capital today depends less and less on absolute growth or outward expansion and more on redistribution and a widening gap between rich and poor, both within and between nation-states. Meanwhile, labor movements in various places are showing signs of life again, and we have seen protests in the streets—from Canada to Mexico to France to South Korea—against neoliberalism and globalization. And at this moment the

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contradictions of capitalism are manifesting themselves in what looks like the most serious crisis since the Great Depression.

Today's changes are part of a long-term process, the process of capitalist development and expansion. That process has always been, and still is, deeply contradictory. Capitalism's strengths are also its vulnerabilities. This is just as true now as it ever was. In fact, what people call globalization, with all its increasingly transparent contradictions, may be starting to make an anti-capitalist politics not less but more possible than it has been for a long time.

The contradictions of capitalist expansion, then, mean two things. The first, again, is that a truly humane and democratic capitalism has never been a sustainable possibility. The second is that a socialist politics may turn out to be more rather than less possible.

(Continued from inside back cover)

We wish we could say that the left is different, that we do know how to talk about both race and class. But on the whole that simply isn't so, at any rate not now. Critics these days love to attack the "old" left for reducing racism to material causes, and no doubt some of the more "reductionist" versions of Marxism have given an inadequate analysis of race and class. But at least Marxists have tried to tackle the complex relations between them, and some have done so in very nuanced and sophisticated ways. Monthly Review Press, in fact, will soon be reissuing a classic of that genre, Oliver Cox's *Caste, Class, and Race.*

But today, too many people on the post-Marxist and postmodernist left are inclined to evade the issue. Race and class are treated as personal "identities," in a particular sense that seems to suggest they are just conditions of the individual psyche instead of complex social relations with material roots and interconnections. Or, more precisely, race is often treated as an identity and class as a figment of the Marxist imagination. How far away is this from the trivializing discourse that "constructs" U.S. politics as Monica Lewinsky, and race in the United States as sex between Warren Beatty and Halle Berry, while it "deconstructs" class out of existence altogether? Can't we do better than that?

We are looking for back issues of *Monthly Review,* specifically: vol. 1, no.7; vol. 2, no. 8 and 10; vol. 3, no. 3; vol. 4, no. 12. If you have any of these issues—and can part with them—please send them our way. Magazine Editorial, *Monthly Review,* 122 West 27th Street, New York, NY 10001.

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"THE STATE IN A CHANGING WORLD": SOCIAL-DEMOCRATIZING GLOBAL CAPITALISM?

by LEO PANITCH

There are two central developments that define our era. One of these is the historic failure of the socialist project of the mass working-class parties, both Communist and Social Democratic. The other is, of course, what has commonly come to be known as the "globalization" of capitalism. These two developments are certainly related to one another, but they cannot be reduced to one another. Each also has its own specific dynamics which need to be analysed separately.

The failure of communism was not only due to the strength of global capitalism. It was also due to the Communist Parties and regimes lack of understanding that democratic rights alone provide socialism with the political air it needs to breathe. Under a dictatorship, without multiple parties, freedom of the press, speech, and association, workers could never learn how to become a ruling class, as Rosa Luxemburg chastised Lenin immediately after his dissolution of the constituent assembly. In the absence of political freedom there is no way to generate the "thousand solutions" that need to be discovered in face of the "thousand problems" that revolutionary change inevitably entails.

Social Democracy reveals to us the opposite failure. Too much respect for the inherited institutional forms of liberal democracy produced a form of "parliamentary socialism" which lost the capacity to mobilize for social change in the course of learning how to get elected. It was able, for a certain

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period, to manage a reformed capitalism; but unable to transform society, it soon lost its vision, and eventually even its socialist rhetoric. The new right's successful association of social democracy with state bureaucracy towards the end of the twentieth century proved that Max Weber had been correct to discern, at the beginning of the century, that "in the long run ... it is not Social Democracy that captures the town or the state; it is the state which conquers the party."

The loss of mobilizing capacity and vision in social democracy is today concealed behind the "buzz words" of *modernization* and *the Third Way*. These are terms which amount to little more than keeping up with capitalist globalization, when what is needed on the left is precisely to try to develop the capacity to issue a political challenge to globalization. But this can only be done on the basis of systematic analyses of the historical trends that globalization refers to and the structural resistances that can develop as a result of it.

The Meaning of Globalization

What is globalization? It is a fashionable word, but what does it actually mean? There are many myths and misunderstandings associated with the term, arising from simplistic extrapolations of particular trends and unwarranted generalizations from specific developments. Yet there are five dimensions of what is commonly termed globalization today that really are very significant. Three of these are conjunctural; two are structural. In terms of its more contingent, conjunctural dimensions, globalization properly refers to:

(i) the spatial extension of capitalism directly associated with the collapse of the USSR and the Communist regimes of Eastern Europe, as well as with the turn to capitalism in China and Vietnam, where Communist Party elites are laying the grounds for transforming themselves into new bourgeoisies.

(ii) the ideological and cultural sweep of capitalist ideas and values that defines our neoliberal era, whereby the bourgeoisie "makes the world in its own image" with an impunity almost unparalleled since Marx wrote these words 150 years ago.

(iii) the process of international class formation of recent years, especially transnational integration among the capitalist classes; this is a process which is, however, by no means yet very far advanced as is evidenced by the national locus of the

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owners and boards of directors of the leading multinational corporations.

Globalization in the stronger sense, in terms of its more determining, structural dimensions, is best understood as referring to:

(iv) the new stage of capital accumulation on a world scale, developing out of the contradictions of the postwar Keynesian/Bretton Woods order, which is characterized by a vast increase in the size, flow and speed of foreign direct investment and trade, and accompanied by an even more vast creation of international credit, currency flows, speculation, futures markets, and private and public debt.

(v) the internationalization of the state, which, properly speaking, must be understood not in terms of transnational capital escaping the nation-state, but rather in terms of states becoming more and more attuned to fostering and/or accommodating to capital accumulation on a world scale.

Each of these dimensions of globalization deserves very close analysis. This is, of course, especially true of the fourth dimension, which, far from merely reflecting the strength of capitalism in its new stage, actually grows out the class conflict, inflation, and falling rates of profit that ended the previous "golden age," and is itself *beset by recurrent economic crises even in its most dynamic centers of investment and trade as well as by mass underemployment and active impoverishment of large populations and regions of the globe.* It is necessary to stress this in order to understand the nature of the role of the state.

Because the process of globalization has initially taken place under the ideological aegis of the new right, operating with the conceptual optics of neoclassical economics, it has presented itself in terms of reducing the role of the state in relation to both domestic and international markets. Obscured from view has been the active role of states in setting the new rules of the game as well as in shifting the balance of class forces as part of the process of globalization. In what sense is this so? First of all, since states themselves are fields of class relations, the internationalization of capital means that foreign capital becomes interiorized not only within a given territory but becomes a player on the field of the state. Second, states continue to establish the essential infrastructural and juridical conditions of markets, private property, and contract within their territorial

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domain. Third, states are the actual authors of globalization in so far as it is the changes they made in the rules governing capital movements, investment, currency exchange, and trade that permitted a new stage of global accumulation to come about. Fourth, in the process of doing this, states don't withdraw from the economy but restructure their relationship to it, reordering their apparatuses and the role each plays in representing and regulating social actors and markets. Finally, fifth, it is through inter-state relations, as these are formalized in international agreements, treaties, and the rules governing international agencies, that the necessary international juridical and infrastructural conditions for global capital accumulation are established and maintained.

None of this should be understood as functionally automatic; far from it, all this takes place through trial and error, negotiation and compromise, tension and contradiction. These tensions and contradictions, and the class struggles that attend them, may be displaced from one terrain of the state, only to reappear in another, where they reemerge in new forms. Thus we see today a marked increase in corruption and the buying of political favors, as individual capitalists, faced with the insecurities and rigors of global competition, are tempted to secure from particular politicians what industrial subsidies, banking monopolies, and tariff protections used to provide to whole sectors of capital.

The contradictions of globalization are such today that the political and ideological leadership of the neoliberal right is increasingly vulnerable to challenge, as is evidenced in the fact that in fourteen of the fifteen European Union countries, social democrats now occupy governmental office. But as already seen in the path President Clinton had tread despite his defeat of Bush and Dole, this does not mean that European social democratic parties (which no longer have, for the most part, an orientation to policy distinct from the American Democratic Party) will not accommodate to neoliberalism, let alone continue to underwrite globalization in all its dimensions.

It has proved convenient for politicians without the deep ideological conviction of someone like Mrs. Thatcher, but also without the inclination either to confront the power of capital or take responsibility for the costs of globalization, to have recourse to the argument that "our hands are tied" by interna-

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tional financial markets and bond traders. This argument, as the *Economist* noted in an important editorial on October 7, 1995, entitled "The Myth of the Powerless State," actually obscures the fact that "global integration has left governments with about as many economic powers as they ever had." To the *Economist* there is a "frightening" prospect that "the barriers governments have lowered can be raised again ... given the will, governments could do it. Call it their sovereign right." To prevent the "trend to global integration [being] halted and reversed," the *Economist* called on politicians to openly proclaim the state's responsibility for sponsoring capitalist globalization, and to stop using "bad arguments ('our hands are tied') in a good cause (lowering the barriers to international trade and finance)."

The 1997 World Bank Report

Given the contradictions of globalization, a change in the nature of state sponsorship of it, both ideological and material, is in fact on the agenda. Neoliberalism has reached its limits, even if globalization has not. This is precisely the message of the World Bank's remarkable World Development Report for 1997, *The State in a Changing World.* This is a momentous intervention by the Bank, a bid to do no less than displace the Trilateral Commission's famous 1976 report with a new strategic perspective designed to carry globalization into the twenty-first century. In explicit contrast with the "overloaded government" thesis that governed the former report, and in place of the advocacy of a "minimalist state" (which the new report suggests led many countries to "overshoot the mark"), the World Bank now advocates a large role for the state *in protecting and correcting markets.* This perspective, of course, only echoes arguments that have been current in social democratic intellectual circles for the better part of a decade. One might even call this the social democratization of globalization.

The World Bank's central message is that "globalization begins at home." [p. 12]. Not only does it see the state as a necessary "partner, catalyst, facilitator," it goes further in recognizing that "markets cannot develop without effective property rights." [p. 41] The failures of "state-dominated development," the World Bank insists, must not obscure the fact that "development without an effective state is impossible." This means

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recognizing the positive role played by "states working in partnership with markets to correct their failures, [while] not replacing them.... The state's unique strengths are its powers to tax, to prohibit, to punish, and to require participation. The state's power to tax enables it to finance the provision of public goods. Its power to prohibit and punish enables it to protect personal safety and property rights. And its power to require participation enables it to minimize free riding...." [p. 25]

The World Bank's goal is to shift "attention from the sterile debate of state and market to the more fundamental crisis of state effectiveness." [p. 25] Effectiveness is defined primarily in terms of developing the kind of public rules and institutions that "allow markets to flourish" [p.1], but this is understood to include taking seriously the legitimation functions of the state. Thus while very much in favor of the removal of restrictions on the trade and cross-border movements of capital, this is seen as only one precondition among many for active global integration, rather than marginalization, for most countries. The report points out that "despite spreading trade liberalization, the share of trade in GDP fell in forty-four of ninety-three developing countries between the mid-1980s and mid-1990s" [p.134], and it especially points to the tragedy of south-Saharan Africa, which it sees in terms of the problem of "states collapsing from within."

Even as regards the advanced capitalist states of Western Europe, the report cites opinion polls which show that a clear majority across all fifteen European Union states believe that governments should maintain current social benefits and protection levels as opposed to only 12 percent who think they should be cut to enhance competitiveness in world markets. It cites similar positive orientations in Latin America and Asia, and in contrasting these with anti-egalitarian and anti—welfare state opinion in the United States, it makes the latter look like the exceptional case. [p.111]

Such a perspective, especially as it is articulated by the World Bank, will doubtless generate considerable enthusiasm on the part of many people who have for so long been troubled by the nostrums of neoliberalism. But critics of globalization would do well to temper their enthusiasm. There is no shortage of passages in the report that insist that states must bring themselves closer to the people, make themselves more ac-

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countable to civil society, and reflect "the full panoply of a society's interests." But states are warned against biting off more than they can chew and are advised to constrain themselves to match their role to their capacities. Above all, when it comes to advancing specific reforms, the report carefully ties these to what it calls the "fundamentals," insisting that "maintaining *liberal trade, capital markets and investment regimes* is essential for economic growth." [p. 48, emphasis in text].

What this means is that the report largely restricts itself to "safe" reforms, that is, to the development of those state capacities which facilitate rather than hinder integration into capitalist globalization. It rationalizes the regressive shift in taxation from corporate and personal income taxes, and trade taxes, towards consumption-based taxes like VAT as an inevitable consequence of the global integration it advocates. It endorses the discipline in the area of fiscal deficits that financial markets impose on "open economies exposed to external risk," but it also wants to reinforce this with "the need to comply with the rules and conventions of international treaties [as] another spur to good behavior." [p. 4]

The report's "recipe for good policies," and its definition of "bad" ones, are, in fact, more than a little familiar. Bad policies "channel benefits to politically influential groups"; examples are macroeconomic policies which are "covert ways of levying unexpected taxes on the private sector or of redistributing economic benefits"; and microeconomic policies which impose "restrictions on the operation of markets," including "import restrictions" and "local monopoly privileges." Good policies, on the other hand, accord priority to restraining inflation, and the Bank advocates "locking" this in through central bank independence and "choosing a conservative central bank governor, one who is more opposed to inflation than society in general." The vital ingredients to "rolling back overextended states" are "commitment to competitive markets and an accompanying willingness to eliminate obstacles to their operation." [p. 51]

Even in the areas of urban hospitals, clinics, universities, and transport, where governments concentrate their spending on infrastructure and social services, the report takes the view that markets and private spending can meet most needs, except for those of the very poorest minority of the population. "Most curative health care is a (nearly) pure private good—if govern-

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ment does not foot the bill, all but the poorest will find ways to take care of themselves." [p. 53] The Bank's concern with the social dimension of globalization is further tempered by its resignation to the fact that developing countries cannot afford western social programs as well as by its claims that greater social security can be achieved at lower costs by relying on communities and households to take up the slack.

What then really distinguishes this cookbook from the neoliberal one? It is that the goal of market liberalization is now linked by the World Bank to the development of effective regulatory state capacity to sustain private markets. In the crucial case of the financial sector, this is presented in terms of moving from "control to prudential regulation." Thus while the report endorses "the near-universal ... move away from controls over financial markets and their allocation of finance," it insists that "liberalization is not the same as deregulation. The case for regulating banking is as compelling as ever. Only the purpose has changed, from channeling credit in preferred directions to safeguarding the heath of the financial system." [p. 65]

Regulatory reform must also accompany privatization. Since it is opposed to public sector monopolies as well as private sector ones, the report is in favor of privatization in general and especially the "hiving off" of utilities and social insurance to the private sector. But "successful" privatization depends on "winning the acquiescence of employees" through generous severance pay; winning the acquiescence of citizens through share vouchers or public offerings of shares at "attractive prices"; and developing "a regulatory system that credibly restrains the abuse of power in non-competitive markets." [p.64]

A major concern of the report—arguably *the* major concern—is the endemic corruption that attends the state-capital interface in so much of the world. For this report, the Bank undertook a survey of 3,685 firms in sixty-nine countries in an attempt to measure the extent of such corruption and their perception of the harm that it does to investment. It found that "high and unpredictable corruption" especially had this effect. [p. 103] Strengthening mechanisms for juridical monitoring and punishment, making rules more transparent, reducing the scope for official discretion, introducing competitive bidding processes into government—all these are advanced as adminis-

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trative reforms that would help to contain the problem, albeit always in conjunction with "policies that lower controls on foreign trade, remove entry barriers for private industry, and privatize state firms in a way that ensures competition." [p. 8]

One of the factors the report is able to identify as most highly correlated with corruption is the erosion of civil servants' wages relative to average manufacturing wages. The remedy it advances, notably, is the decompression of public sector salary structures, paying senior officials more while still constraining the overall total public sector wage bill through layoffs and wage restraint at the lower levels. Those at the top are to be given the material compensation to stop them from lining their pockets. When it comes the lower levels, the report looks to securing "worker dedication and commitment" by stressing "the importance of non-monetary rewards—recognition, appreciation, prestige, and awards—in motivating staff, over and above the adequacy of pay and meritocratic recruitment and promotion." [p. 96]

Globalization, indeed, "begins at home." The reforms the World Bank advocates for more effective states depend on the institutional restructuring of state apparatuses, and the reordering of responsibilities among them, beginning "with a few critical enclaves [that] typically include the ministry of finance, the central bank, and the tax collection agency." Restructuring of these apparatuses—"which can mostly be achieved through executive order"—are designed to effect drastic budget cuts, tax reform, price liberalization, deregulation, and some privatization, and above all to "establish effective macroeconomic management by an insulated technocratic elite." But a fully effective state will avoid limiting itself to these "first generation reforms" and will eventually move to restructure the executive itself as well as the legislature and judiciary, the civil service, unions, political parties, media, state and local government, and even the private sector—all to the end of "upgrading regulatory capacity," which the report sees as an "institutional development highly dependent on middle management in the public sector." [p. 152]

All this means that the international institutions that sponsor globalization do not see themselves as by-passing or displacing the state, but rather as operating to guarantee a certain type of state restructuring. While "external support can achieve little where the domestic will to reform is lacking," the World Bank

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report repeatedly stresses that the role of international agencies, in addition to providing expert advice and financial assistance, is to provide "a mechanism for countries to make external commitments, making it more difficult to back-track on reforms." [p. 15] Among these are international commercial or currency treaties through which the state commits to "self-restricting rules, which precisely specify the content of policy and lock it into mechanisms that are costly to reverse." [p. 6]

Conclusion: Drawing

Social democratic politicians today from, Jacques Delors to Tony Blair pose the challenge before us as that of figuring out how to make accommodating to globalization consistent with progressive social values. The lesson of the World Bank Report, as well as the fate of Delors own "Social Charter" in Europe amidst the effects of the move to the common currency, is that this is the wrong challenge for the left to pose for itself. Attaching side agreements on labor or environmental rights to international treaties will at best reinforce the type of second-order state reforms advanced by the World Bank. The overarching priority will remain that of fostering the penetration of capitalist values into every dimension of state-society relations as well as every corner of the globe and every facet of human life.

The World Bank's understanding that this does *not* mean a minimal state, but rather an efficient capitalist state is, increasingly, what social democracy itself stands for today. It has adopted global competition as a goal, which the state must foster, rather than regarding it as a constraint which must eventually be overcome. Social democracy still recognizes the importance of liberal democratic institutions, but it has lost that broader democratic vision that originally impelled socialists to try to use those institutions as building blocks for organizing societies on cooperative rather than competitive principles.

So extensive is this accommodation to globalization that social democracy (incorporating as it does now most former Communists in Eastern Europe) is largely reduced, even in the face of continuing mass unemployment in Western Europe, to undercutting social benefits in order to advance labor-market flexibility while still promoting the new "cargo cult" of training. ("If you train them the jobs will come.") It is as though, seeing a man on the street, hungry and homeless, you approach his

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problem only through the optic of his not being motivated enough, entrepreneurial enough, skilled enough to get a job, rather than through the optic of there being something fundamentally wrong with the capitalist system. There is nothing much socialist in a value system that does not begin, morally, from the latter optic.

Nor can much be said for social democratic economic strategies that increasingly rely on export competitiveness for "success." This ignores not only the ethical dilemmas this inevitably entails in terms of the more successful countries exporting their unemployment to those that are less successful, but also the crisis-ridden nature of globalization, both in terms of the overproduction that must attend a system where everyone is trying to increase their exports and limit their imports, and in terms of the financial instability that attends capital movements attuned to free exchange rates in such a system.

In response to neoliberal calls for a minimal state, social democratic intellectuals over the last decade have often had recourse to the example of East Asian states which have allegedly proven that efficient markets require active state involvement in the economy. The class-ridden nature of those systems, let alone the "crony capitalism" that characterizes their state-market interface, usually got swept under the carpet. The World Bank report also adopted the East Asian states as its model for "successful" integration in globalization. The fact that it did so even as the storm clouds of a vast financial crisis were gathering over the region makes the report look rather bad. Yet the central message of the report—that regulation is necessary for liberalization—will now be heard more and more in relation to international finance.

At the launch of the World Bank report in Toronto last June, a video was shown of women engaged in embroidery production through a NGO in India, one of whose leaders articulated the desire for "a situation where women are not only the producers but are the owners and managers." No one really took these words seriously at the launch, for good reason. This age-old inspiration for genuine democracy cannot possibly be advanced by the World Bank's report. It will only be met when, in light of the contradictions of globalization, there emerge new socialist forces to challenge the power of capital as it is embedded in the contemporary state.

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Out of the inevitable conflicts that globalization is generating and will continue to generate, it is not unlikely that new parties and movements will emerge which will make this their aim. As such forces do emerge they may even want to take a few pages out of the book of the World Bank, at least to the extent of recognizing that building alternatives to globalization also must begin at home. Of course, there will need to be extensive international cooperation among such forces. While located on the terrain of each state, such movements and parties will have to inspire one another across state borders. And such successes as they may have within each of their states will certainly still be conditional on other states also being transformed by similar movements and parties, allowing for that cooperation among states necessary to effect controls over the mobility of capital. It may also be worth paying attention to the praise the Bank heaps on those "farsighted political leaders" who played such a large role in bringing about capitalist globalization, and who "have transformed the options for their people ... because they spelled out a longer term vision for their society, allowing people to see beyond the immediate pain of adjustment." [p. 14] As against the Bank's concern to ensure there will be more capitalist political leaders "with a clear vision of the way things could be and a contagious determination to turn that vision into reality" [p 144], it will be necessary to develop a new generation of socialist political leadership in the twenty-first century that has precisely these qualities and capacities, but uses them to the end of advancing very different kinds of structural reforms to those of the World Bank. The goal of this new socialist political leadership must be to transform states into creative agencies of cooperation, decommodification, and democratization rather than efficient agencies for capitalist globalization.

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MULTILATERAL AGREEMENT ON INVESTMENT

by JOSEPH K. ROBERTS

As we know, Marx did not develop an analysis of economic imperialism as it emerged after 1885, but he identified tendencies within nineteen-century capital, which we recognize today as causes. We think of capital concentration and centralization, the externalization of markets and the falling tendency of the rate of profit as examples that would be gathered by his successors into a more complete twentieth-century theory of imperialism. His evocative passage in the *Manifesto* depicting the spread of bourgeois value and practice seems remarkably current at the end of the twentieth century:

> The bourgeoisie by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.

Today a new wave of global order, gathering momentum since the 1960s, freed from international communist opposition, seeks to fashion a legal, political system to liberate capitalist traders and investors from unwanted social and political control. The most advanced expression of this new investment order is the Multilateral Agreement on Investment (MAI). It is

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being negotiated into existence by the twenty-nine members of the Organization for Economic Co-operation and Development (OECD) in Paris, the due date was May 1998.

The central features of this treaty derive from the experiment with the US-Canada Free Trade Agreement of 1988 and the subsequent North American Free Trade Agreement of 1993. The goal is to include all twenty-nine signatories in mutual Most Favored Nation status. In that respect it extends the right to national treatment to all foreign capital within each jurisdiction. This implies unrestricted right to the resources of all signatories.

More specifically the agreement requires that governments guarantee to investors the right:

—To export their commodities or services across all borders with no conditions attached;

—To unilaterally purchase and own any structure of productive capacity of any other signatory nation with no requirement to sustain its viability, employment level, or location in the home country;

—To own any saleable natural resource of other countries and to have the right to extract its oil, forest, mineral, or other resources with no obligation to sustain such resources, or to use them in the interest of the host country;

—To profit from any commercial enterprise with no requirement to reinvest in the country in which the resources have been received and the profits derived;

—To create credit and thus increase the domestic money supply with no restriction on the amount of new currency demand so created in the home economy, however inflationary it may be;

—To bid for and own any privatized public infrastructure, social good, or cultural transmission without any limit on foreign control;

—To access any domestic government grant, loan, tax incentive or subsidy with the same rights and on the same terms as any domestic firm;

—To be free of any and all performance requirements of job creation, purchase of domestic goods, import-export reciprocation, and technology or knowledge transfer to the host society;

—To reject as illegal any national standards of human rights, labor rights, or environmental protection on goods produced in and imported from other regions or nations.[1]

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The MAI is designed to protect investors against past, present, and future governmental policies and practices that inhibit profit. In this respect it enshrines "standstill" and "rollback" provisions. By standstill is meant that governments may not introduce any new laws, policies, or programs in the future which do not conform to the norm agreed by the signatories. Rollback requires that any legislation or regulatory measure of a country that does not conform to the basic principles and conditions of the MAI must be reduced and eventually eliminated. Members are expected to list in advance any current laws, policies, or programs considered "non-conforming" with the discipline of the MAI.[2]

As it stands before completion the treaty is unusual in binding subcentral governments. Other treaties of modern times entered into by federal systems such as the United States and Canada contain a "federal-state clause" which recognizes the constitutional division of powers in such systems, and exempts states, provinces, and municipalities from obligations to which they are not parties. In Canada provinces are responsible for health, education, social services, and most labor legislation.

Inevitable disputes will arise when investors or governments try to resolve disagreements. Since this is a treaty binding governments to obligations but exempting investors, governments may have grievances against the practices of one another; or investors may have grievances against governments. In which case each nominates a representative, both of which choose a third party, and this panel adjudicates the dispute and awards a settlement. If satisfaction is inadequate, the aggrieved investor may sue the offending government in its home courts. Unlike the European Court or the World Court, no legal tribunal of independent and disinterested figures applying established laws, precedents, and procedures is invoked. Granting final jurisdiction to the home court of the investor is in fact a grant of imperial jurisdiction to the courts of the United States. The significant investors will always be able to choose among the available jurisdictions through creation of corporate intermediaries tailored to each deal. The U.S. federal courts, ideologically wholly committed to the most extreme neoliberal doctrine and contemptuous of the claim of all foreign states, are the certain jurisdiction of choice. The immense legal fees required to litigate in this forum bias the result, since (unlike the practice

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even of other Western common law countries, the victor in U.S. litigation must pay its own legal fees) for most governments of the world even a victory in such a case would be a defeat. And the pretrial "discovery" practices of the U.S. courts, endless, baroque, massively expensive, and freely invasive of the records of any litigant, will be fully mobilized to the investors' benefit alone. In this forum no future aberrant left-socialist government of even Canada or Denmark (let alone any third-world government) stands a ghost of a chance. The inception of the MAI in large part comes form the refusal of the United States to acknowledge any jurisdiction other than its own.

Where did the MAI come from and what of its family? Throughout this century the cartel has been a common device of international capital to counteract the inconvenience of competition. The United States has a considerable history of antitrust regulation concerned with assisting the working of monopoly capitalism, domestically and internationally. The MAI is, in part, an agreement among the world's largest corporate investors to achieve a common and user-friendly global legal system of the sort cartels sought for individual industries.

But it is also more. Since the Second World War many bilateral treaties have been constructed to smooth the path of investors under the regiment of the International Monetary Fund and the International Bank for Reconstruction and Development. It was the Washington Consensus, inspired by the Trilateral Commission in the early 1970s, that focused attention on a comprehensive and detailed charter of rights for capital. This Consensus provided a model of development based on the belief that liberal market economics is the one and only economic hope for all countries, including poor countries.

The Washington Consensus, economist Paul Krugman explains, now defines "not only the U.S. government, but all those institutions and networks of opinion leaders centered in the world's de facto capital—think tanks, politically sophisticated investment bankers, and worldly finance ministers, all those who meet each other in Washington and collectively define the conventional wisdom of the moment." This Consensus is disseminating a political monoculture, single world view. It is, quite simply, globalization of an ideology, a world economic order designed by and for capital exporters.[3]

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The protracted trade liberalization negotiations within the framework of the General Agreement on Tariff and Trade were the incubator of the MAI. During the high point of Reagan and Thatcher-endorsed neoliberal economic orthodoxy, the Uruguay Round of those negotiations sought in vain to control Trade Related Investment Measures (TRIMs). These are the myriad regulatory measures developed by countries to protect and promote their own economies and social values from agricultural, health, and product standards, to vehicle safety regulations, to cultural content requirements. In general they fall into the category of performance requirements.

In a leap of imagination the vanguard of trade negotiators hit on the idea of a freestanding agreement to protect all investment from performance requirements to benefit host countries. When GATT was transformed in 1995 to the World Trade Organization with 130 members, it seemed like the logical forum within which to hammer out the details of the MAI. But the United States wanted "a high-standard multilateral investment agreement that will protect U.S. investors aboard" which it feared could not be achieved in such a diverse forum.[4]

The twenty-nine members countries of the OECD are home to 477 of the *Global Fortune* magazine 500 corporations. It is the forum of choice for corporate-friendly rule making. If the OECD Agreement is successful it will be used as a standard and a lever to impose the instrument globally.

The larger historical context of this development can be summarized as the reappearance of unrestrained monopoly imperialism. Succinctly, this is the century of state monopoly capitalism. It is also the century of the emergence and spread of electoral democracy. It is the century of the first non- and anti-capitalist state system, which for seventy years held out the possibility of exemption from economic imperialism. In this era advanced capitalist states adopted "Fordism" as a domestic strategy to cope with problems of growth and class conflict. But after a brief period of economic and social prosperity, capitalism returned in the 1970s to stagnation, alleviated in the 1980s by hypertrophy of financial speculation. However, the organized anticapitalist movement and its theory collapsed, resulting in a withering of domestic counter forces to capitalist command of the state. This crisis of the popular movement has allowed the liberation of capital now supplemented by a quantum leap in

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communications technology that has massively amplified the role of financial and also commodity trade.

Thus, the MAI must be understood as a manifestation of a wider project to achieve freedom of action for capital not just within its historic nation state homeland but now in a global context without apparent limits. Prohibiting limits is a tall order, reaching beyond narrowly economic parameters, and addressing human society generally. And that means confronting the potential embedded within the idea of democracy. Today, as from the inception of democracy, the notion of empowering ordinary people implies limiting the power of a tiny class of privileged capitalist. To counteract the nuisance implied by actual democracy, American strategists have polished Joseph Schumpeter's earlier idea of democracy in the postwar workshop of Robert Dahl, producing the idea of polyarchy.

This idea of democracy is constructed on the abstract notion of the market as a system of competitors for scarce goods. The citizen is shrunk to consumer. The politician is an entrepreneur peddling his policy and program wares to rationally self-interested voters. Voters have only the role of accepting or refusing the men (primarily) who are to rule them. Politicians, once chosen, are free from interference from the electorate in between elections, and the power of government is limited so that it cannot easily intervene in the steadily expanding realm of economic markets.

This strategy is described by William I. Robinson in *Promoting Polyarchy*:

> All over the world, the United States is now promoting its version of "democracy" as a way to relieve pressure from subordinate groups for more fundamental political, social, and economic change. The impulse to "promote democracy" is the rearrangement of political systems so as to secure the underlying objective of maintaining essentially undemocratic societies inserted into an unjust international system. The promotion of "low intensity democracy" is aimed not only at mitigating the social and political tensions produced by elite-based and undemocratic status quos, but also at suppressing popular and mass aspirations for more thorough-going democratization of social life in the twenty-first century international order. Polyarchy is a structural feature of the emergent global society. Just as "client regimes" and right-wing dictatorships installed into power or supported by the Untied States were characteristic of a whole era of U.S. foreign policy and intervention abroad in the post World War II period, promoting "low intensity democracies" in the third world is emerging as a cornerstone of a new era in U.S. foreign policy.[5]

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Countries may be maneuvered into this version of democratic government through the efforts of both international agencies such as the IMF and by local elites who will be its principal beneficiaries. The security of such "democracies" will no doubt be assured by a complex of international treaties and ultimately by U.S. readiness to enforce their legitimacy with its global police force.

The MAI must therefore be understood as part of a broader objective of capitalists to roll back much of what has been achieved in the twentieth century in the extension of electoral democracy, social welfare, health, education, employment, retirement, and special needs programs funded through tax revenues, in governmental regulation of business, and in international projects to rectify the imbalance between center and periphery.

Well, it is one thing to identify a trajectory of strategy and another to assess its material possibilities. A recurrent question faced by opponents of the treaty is why on earth would, for instance, the Canadian government want to relinquish its sovereign powers voluntarily? Obviously such a project is considerably important to a fraction of the U.S. ruling class and its international co-fraternity. Foreign direct investment in the ten years since 1987 has expanded by 80 percent. The increase for U.S. investors alone amounts to 785 percent in the time period. Seventy-five percent of FDI is in Europe, North America, and Japan. Corporations and banks benefiting from this growth have a palpable stake in the success of such a liberalizing project, but so, to some degree, do the political and administrative cadre of jurisdictions in which such investors are or may be located. After all, among the twenty-nine OECD representatives there is already extensive latitude given to private investors: this treaty can be represented as establishing "a level playing field."

Once in place, political and administrative leaders in the rest of the world will be targeted with persuasion and threats to join. There are also fractions of the increasingly capitalist agriculture industry worldwide to whom all parts of the liberalization project appeals. Even some workers can be recruited for some period to endorse the model. Certainly the increasingly concentrated, privately owned global media are cheerleaders for the emerging model.

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The importance of the MAI and related initiatives to the imperialized periphery (both those experiencing a measure of economic growth and the poorest) is great and ominous. Recent currency and stock market crises in Asia resulted on the one hand in IMF structural adjustment bailouts that impose many of the provisions of the MAI. At the same time, prominent leaders and economists in the region vociferously denounced the neoliberal Washington Consensus conception of global order. Needless to say these are not socialists rejecting capitalism but capitalists who know very well that they cannot move their economies ahead for both personal advantage and national interest, without active state regulation and control.

Once approved by the OECD countries it will be nearly impossible for export-driven under the less developed countries to resist the demand that they too remove all barriers to the free flow of investment. The MAI is of course importantly designed to rule out nationalization of economic resources as a tool of national, social, and economic development. Thus the protective and integrative development measures historically used by all advanced capitalist nation-states to achieve autonomous development are to be denied those societies now seeking such development.

It is argued that the United States is experiencing a decline in its power. Whether or not this is so, the objective of which the MAI is a major part is to construct a web of normative rules, procedures, and institutional governance of the new global order. This system is not to be organized on the principle of one country, one vote. Power in this governance will continue to be allocated according to wealth, as it is in those institutions developed outside the United Nations since 1945. If the architects of this new order have their way, the concrete class governments we have called democracies in the nineteenth and twentiethcenturies, limited to nation-states, will be preserved in a shrunken and crippled polyarchic form. The ideal of democracy as the collective of self-governing producers seeking to realize their fullest potential cannot easily be eradicated, but if it cannot be realized as concrete rule its threat to capital is limited.

As of February 1998, the business press is expressing doubt that the treaty will or should be enacted on schedule due to numerous national reservations and exclusions. Chief among

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these is the U.S. refusal to bend on the infamous Helms-Burton Act, which punishes those who invest in Cuba. Such a measure contradicts the spirit of MAI. Others object to efforts to strengthen labor and environment standards. Despite the May deadline, this treaty will remain as a goal of international capital as long as it enjoys a sense of unopposed dominance.

In fact, international U.S. led capital is not so rational and self-disciplined as to achieve this project without great friction. Nor are the victims so passive and manageable. The Asian financial crisis exemplifies how distant is the prospect of coordinated and accurate crisis management. The number of big bank crises in advanced capitalist countries over the past ten years illustrates the lack of self-management in the imperial center. The growing resistance in U.S. politics to international financial, trade and military interventions, and initiatives suggests that the tiny minority who have such enormous stakes in the imperialist system may be excessively ambitious. Popular movements in the center and in the periphery have identified the neoliberal, globalization enemy and are bringing increasing wrath to bear against the strategy. Even on the right the Vatican and the oligarchies of the Middle East and Asia have declared the unbridled market to be an enemy.

In Canada, a significant grass roots movement emerged within a few months in 1997 to combat the proposed treaty. It is comprised of national culture groups including the Canadian Conference of the Arts, the Council of Canadians, ecumenical church groups, the Canadian Labour Congress, several environmental groups, the Canadian Center for Policy Alternatives and the national network of intellectuals who support it, the federal New Democratic Party, the provinces of British Columbia and Prince Edward Island, the territory of Yukon as well as spontaneously organized coalitions of community groups. In the United States a similar body of opposition has emerged with Ralph Nader as one of the spokesmen. A hemispheric coalition of labor groups organized days of action in April, 1998, to demand no further extension of free trade agreements, an end to privatization of public services, and opposition to the MAI.

In short, the prospect for creating an uncontested ultra-imperialism at the end of the twentieth century is no more promising than it was at the beginning.

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NOTES

1. John McMurty, "The MAI Would Make Corporate Rule Absolute," *Monitor* (Canadian Center for Policy Alternatives, Ottawa), vol. 4, no. 4, September, 1997, pp. 12-13.
2. Tony Clarke and Maude Barlow, *MAI* (Toronto: Staddard, 1997) pp. 43-4.
3. Ibid., p. 15
4. Ibid., p. 26. The "fast track" language which the Clinton administration will use to get approval to sign the MAI says: "sec. 2 (b) principal Trade Negotiation Objectives.... 3. Foreign Investment: The principal negotiating objective of the United States regarding foreign investment is to reduce or eliminate artificial or trade distorting barriers to U.S. foreign investment by (a) reducing or eliminating exceptions to the principle of national treatment; (b) freeing the transfer of funds relating to investment; (c) reducing or eliminating performance requirements and other unreasonable barriers to the establishment and operation of investments; (d) establishing standards for expropriation and compensation for expropriation consistent with the U.S. legal principles and practices; and (e) providing meaningful procedures for resolving investment disputes." *Monitor* (Canadian Center for Policy Alternatives), vol. 4 no. 7, December 1997 and January 1998, p. 23.
5 William I. Robinson, *Promoting Polyarchy* (Cambridge: Cambridge University Press, 1996), p. 6.

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THE COLD WAR WORLD ACCORDING TO *MY WEEKLY READER*

by MARC RICHARDS

Ron Kovic never doubted the cold war truths that he absorbed during his childhood in Levittown, New York during the 1950s and early 1960s. Ron Kovic learned to hate the communists back then, convinced as he was that they were plotting to subvert his government, even "trying to take over our [school] classes and control our minds." Steeling his thoughts against unpatriotic communist propaganda, ideologically recruited for a sustained cold war effort fought on many fronts, he identified with his country's fortunes, cheering its triumphs, weeping over its defeats. He had joined the Cub Scouts and marched proudly in memorial day parades. He and his friends built fallout shelters out of milk cartons and swore to one another that they would march down to the Levittown shopping center together to enlist in the United States Marines when they came of age.

Meanwhile, Ron Kovik read about the wonders of rocketry and built space ships out of any scrap material available. Some American, hopefully Ron, himself, would be the first rocketeer to travel beyond the earth. Then, "the whole block watched a thing called the space race begin."

On a cold October evening in 1957, the eleven-year-old boy and his father huddled transfixed and speechless as they watched the Soviet Sputnik satellite orbiting across the sky above his house. "We were losing," Ron and most of a stunned

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America believed, "and America wasn't first anymore." Finally, his entire junior high school celebrated America's belated success as they collectively prayed for an ascending rocket on the television screen. As if this historical event compared to the ninth inning of a baseball game, Ron Kovic remembered later that "a guy was screaming like Mel Allen that the rocket was lifting off ... then the whole room broke into cheers. America had done it. We had put our first satellite into space. 'We did it. We did it!' the guy was screaming at the top of his lungs."

The current events newspaper for public schools, *My Weekly Reader*, helped shape the political world view of Ron Kovik and thirteen million other American public school children every year during the cold war. But its editors candidly confessed in a 1980s official organizational history that, "Sometimes, looking back today, *My Weekly Reader* does not seem to have adhered to its platform of fair and unbiased reporting" during the first two decades of that war. They rationalized this transgression by insisting that the publication had merely reflected the "prevailing bias of the age."

To be sure, a ubiquitous mood of anticommunism dominated the political discourse of the entire nation and distorted cold war coverage in virtually all major news magazines. *My Weekly Reader*'s retrospective defense, however, fails to account for the actual reason that earlier editors chose to abandon an ideal of journalistic ethics. Wars do not tolerate intellectual ambiguity or criticism. In this respect, the cold war was no different. More than just merely mirroring the Zeitgeist, *My Weekly Reader* and other youth newspapers—whether consciously or not—dutifully fulfilled their obligation to mobilize children to defend their country from communism and to support their nation's war against this ideological villain.

Charles Palmer Davis published the first issue of *Current Events* on May 20, 1902. For twenty-six years, *Current Events* remained American Education Publications' (AEP) only public school newspaper. AEP geared *Current Events* to older children of junior high and high school age. AEP's 1928 introduction of *My Weekly Reader*, the first newspaper specifically targeted toward pupils in elementary grades, represented a new effort to immerse even the youngest of children in contemporary domestic and foreign affairs. AEP, the parent company of *Current Events* and the many grade-specific elementary editions of *My Weekly*

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Reader, grew to be the largest publisher of newspapers for children in the world. Only its chief competitor, Scholastic magazine, rivaled AEP's influence in constructing the political consciousness of America's school children.

A career journalist, Charles Palmer Davis insisted that his newspaper for children would strive toward a standard of "completely fair and unbiased" news. *My Weekly Reader* followed Davis' guiding principle when it adopted the motto, "To present the news of interest to children, colorfully written, but uncolored."

But the cold war derailed any attempt to paint a picture of a complex world in more subtle colors. In the midst of what constituted a perceived total war, which included an organized and pervasive spirit of anticommunism, it is not surprising that the publication changed course and capitulated to the era's required conformity.

In the world according to *My Weekly Reader*, for example, the most important social movement of the era did not happen. In none of its thousands of articles from 1947 to 1963 did *My Weekly Reader* or *Current Events* ever allude to the Civil Rights Movement that grabbed the attention of the rest of America. Black people did not inhabit Current Event's or *My Weekly Reader*'s world. Written exclusively with a white children's audience in mind, the newspapers simply ignored racial conflict and struck it from the historical record.

According to Terry Borden, a recent editor-and-chief of *My Weekly Reader*, the newspaper decided that the debate over civil rights, considering the cold war context, was too divisive and "dealt with the issue by avoiding it." This unwillingness on the part of *My Weekly Reader* to address controversial issues extended to its reporting of domestic anticommunism. Not once did *My Weekly Reader* or *Current Events* ever refer to Joseph McCarthy or the anticommunist purges of the 1950s. In *My Weekly Reader*'s world the wartime infringement of civil liberties did not exist. Instead, it handled Joseph McCarthy's accusations of a widespread communist conspiracy and unsubstantiated character assassinations much like President Eisenhower did—by ignoring them.

Through its omissions, *My Weekly Reader* played a crucial role in offering a limited and distorted view of the cold war to American youth. More often, *My Weekly Reader* played an active role. In fact, *My Weekly Reader* turned into a cold war primer for children. Week after week, the newspaper willingly complied

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with and actively promoted a wartime anticommunist consensus, so pervasive and so powerful that alternative analyses and perspectives became unimaginable. Hundreds of examples could illustrate the degree to which *My Weekly Reader* oversimplified the complexities of the cold war and tried to mobilize children for the indefinite period of time that the United States would have to struggle against communism.

None, however, captured the imagination of youth more than the "Space Race." *My Weekly Reader* celebrated America's first successful launch of a satellite as enthusiastically as did Ron Kovic. "We Hang Our First Moon in the Sky," the headline blared. But the Space Race did not begin with Sputnik and the United States' Alpha 1958 Explorer satellite launch later that winter. *My Weekly Reader* and *Current Events* had already devoted over a decade of coverage to the space and missile races. One 1949 article intended to capture the imagination of children flashed the news that "the U.S. Armed Forces are working together on plans for a new kind of fort." *My Weekly Reader* for fifth graders reported that the military planned to shoot a fleet of rockets twenty-five thousand miles into space, where they would float together and serve as a platform from which to fire smaller rockets against enemy aggressors. The image of a "fort" conveyed the message that the planned militarization of space—a provocative and dangerous evolution in the geographic scope of warfare—was strictly intended for defensive and peaceful purposes.

While only mentioning the purely defensive military function of the space fort, the article assured students that the primary purpose of the technology was benign. These forts would be used as floating laboratories, brimming with scientific instruments for advancing human knowledge of the moon and the universe beyond. They would also solve more down-to-earth problems, such as weather forecasting and accurate mapmaking. *My Weekly Reader* and *Current Events* almost exclusively presented the image of the friendly rocket, a symbol of human advancement through technology.

Then in 1957 the shock of Sputnik forced Americans to distinguish between friendly rockets and deadly missiles. Few events have so unnerved the American nation as did the Soviet launching of a rocket that delivered a crude 184 pound satellite into earth orbit. Americans immediately understood that the

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technological ability to launch a satellite was essentially the same as that required to deliver a nuclear warhead. The point had been driven home that the United States was no longer invulnerable and "was in danger of being surpassed in military technology." This reality was "absorbed deeply into the national consciousness." To remind the world of the Soviet triumph, the communist-made moon transmitted a constant "beep, beep, beep," as if to mock American technological impotence.

My Weekly Reader and *Current Events* interpreted Sputnik as a sign that America was losing the space race, but they also made clear its military implications. "A r*ocket* or *missile* [my emphasis] that powerful could take a hydrogen bomb anywhere on earth," a Current Event's article warned children. To their horror, children were informed that Russia "could pinpoint targets in the U.S. for her most deadly weapons." America now had to engage in two races—the space race and the arms race—and both superpowers invested significant portions of their wealth and credibility to outperform each other in both competitions.

Many decision-makers of the period now confess that the United States responded to a "missile gap" after Sputnik that did not actually exist. But the question of whether Sputnik represented a meaningful measure of long-term technological or military superiority of the Soviets in the cold war struggle was essentially irrelevant. The arms race would still have taken place, because Sputnik was perceived as a communist propaganda triumph that the United States imagined itself obligated to answer in kind. President Eisenhower initially minimized the meaning of Sputnik and tried to reassure Americans that they had little reason to doubt the military strength and determination of the United States. But the Soviet propaganda victory, coupled with renewed fears of nuclear Armageddon, strengthened the arguments of soap-box cold warriors.

Six days after the Sputnik launch, the National Security Council devoted an entire meeting to a "top secret" discussion of the adequacy of the United States Intercontinental Ballistic Missile (ICBM) and Intermediate Range Ballistic Missile (IRBM) programs. President Eisenhower wondered if the United States should "resort to a Manhattan District approach" to speed up the development and deployment of both long-range and shorter-range ballistic missiles. The firing of an IRBM

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from 1500's mile would have an even greater intimidating effect on the Soviets, Eisenhower believed. The Soviet Union had to rely on ICBMs with a range of 6,000 miles to strike the United States. In contrast, United States bases flanking the Soviet Union afforded America the luxury of deploying nuclear missiles of a shorter range. During the course of the meeting, Eisenhower kept returning to the propaganda value that a first test of an American ICBM or IRBM would give the United States. "These political and psychological considerations," Eisenhower contended, "were perhaps even more important than the strictly military considerations."

When the United States finally tested its Jupiter Intermediate Range Ballistic Missile, *My Weekly Reader* carried the news by including a copy of a May 1958 letter that had been recovered from the Jupiter nose cone. The publicity stunt of delivering mail via a ballistic missile disguised the real purpose of the technology. Addressed to General Maxwell Taylor, Chief of Staff of the United States Army, the letter hinted at the true capability of the missile: "This is the first 'rocket mail' to be carried by the Jupiter IRBM in a *tactical warhead.*" [my emphasis] *My Weekly Reader* played along with the deception. Returning to its friendly rocket theme, the newspaper concluded: "Even speedier handling of mail is expected in the future."

Needless to say, the Army was not primarily concerned with new technologies for the punctual delivery of mail. Out of earshot of children, the United States planned for an acceleration of its ability to mail nuclear weapons to the heart of the Soviet Union.

America's cold war dread depended less on Soviet technological capabilities or the propaganda value of Sputnik than on American perceptions of Soviet foreign policy intentions. On January 9, 1958, Eisenhower delivered his annual State of the Union address to Congress. Although he never specifically referred to the Soviet Sputnik feat, he devoted much of his message to an assessment of post-Sputnik threats to U.S. national security. Eisenhower placed Sputnik in a cold war context. Sputnik was merely the latest manifestation of an ongoing belligerent Soviet foreign policy: "Now, the threat to our safety, and to the hope of a peaceful world is simply stated. It is communist imperialism," Eisenhower informed Congress. The

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Soviet Union, according to Eisenhower, had refined the art of modern war:

> Every human activity is pressed into service as a weapon of expansion. Trade, economic development, military power, arts, science, education, the whole world of ideas—all are harnessed to this same chariot of expansion. The Soviets, in short, are *waging total Cold War.* [my emphasis]

When Eisenhower called for the United States to launch its own total cold war mobilization in the second half of his address, he stressed that this would require a tremendous sacrifice by all Americans, "perhaps most important of all—the student himself, with his bag of books and his homework." Eisenhower was alluding to a common belief that the United States could only compete with the Russians in the post-Sputnik era if its children dedicated themselves to careers as rocket and missile scientists.

One Beaumont, Texas sixth-grade class corresponded with the President to support his call for a major post-Sputnik effort to improve science education. All of the students clearly understood that America's cold war cause required young recruits, whose interest and training in science was to begin at an early age. Twelve-year-old Ginger Grobe wrote with simple patriotism to her president: "One of the ways we are trying to become better citizens is that we're trying not to be irrelevant. We also are studying other countries and comparing their life with ours. I would rather live in the United States." Ginger assumed that, "there are some *boys and girls* [my italics] in our room that may become great scientists."

My Weekly Reader and *Current Events* had already prepared children's reaction to Eisenhower's speech. The country's cold war enlistment of children for the Space Race became a coded language for talking war. Two years after Sputnik, a 1959 *Current Events* issue tallied the space race score, literally accompanying the front page article with a "Space Scoreboard." Despite all the frantic talk of a "missile gap," the scorecard revealed that the United States had successfully orbited thirteen satellites, as opposed to the Soviet's three Sputniks. Still, *Current Events* titled the article, "WE REACH for the STARS: BUT Russia's Rockets Have a Longer Reach. What Are we Doing to Catch-up in the Race for Space?"

My Weekly Reader reported every Soviet achievement in a tone of shrill alarm. Humiliation fueled the newspaper's pre-

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sumption that the United States lagged behind in the race for space. After all, the Soviets had achieved every space milestone first. *My Weekly Reader* reminded students that the Soviets had orbited the first satellite in space, beat the United States by two months in orbiting the sun, and had already crash-landed an unmanned vehicle on the moon. In 1959, *Current Events* quoted a NASA official's analysis of the meaning of the space race scorecard to date: "We cannot run second very long and still talk about leadership." *Current Events* seconded this observation with a war analogy. It quoted a Civil War general who had remarked: "The way to win is to get there fastest with the mostest." The essential lesson, *Current Events* instructed children, was that "in the race for space, they [the Soviets] have already won world prestige (prês-tézh': general admiration or esteem)."

The pervasive anticommunism of the era indulged an emotional hyperbole that mostly went unexamined. The children's newspapers echoed the prevailing cold war atmosphere in which Democrats and Republicans agreed on the basic tenets of the cold war. John F. Kennedy won the 1960 election because he convinced the American public that he, rather than Eisenhower and Nixon, did not—and would not—minimize the seriousness of the cold war threat.

My Weekly Reader reported that Kennedy would not shrink from acting decisively to regain any advantage that the Eisenhower administration had given away to the Soviet Union. John Kennedy triumphed over Richard Nixon, in part, because Americans believed his promise to restore American foreign policy credibility, which had been badly battered in the three years since Sputnik. *My Weekly Reader* and *Current Events* replied enthusiastically to Kennedy's challenge to the nation: "The President thinks we have been second to Russia long enough. This time, he hopes to be first. We are on our way."

Kennedy inspired *My Weekly Reader* and *Current Events* to redouble their efforts to teach children to become young cold warriors. Not that they had ever been remiss in their duty. They had already devoted part of each issue to cold war citizenship training. In 1956, *Current Events* launched a special edition for their weekly Civic Training section. They titled the series "World in Conflict." In an accompanying supplement for teachers, *Current Events* developed a curriculum unit to aid teachers in "guiding your students to a sound understanding of these critical times."

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Current Events preached an enlightened pedagogy. Rather than insulate children, the editors of the Civic Training section advocated exposing them to communist ideology, allowing them to understand the doctrine, its weaknesses, and its "appeal for those who embrace it." Having forwarded the principle of enlightened citizen responsibility in a democracy, *Current Events* then proceeded immediately to abandon this standard without the slightest blush of embarrassment. Yes, teachers should immerse children in world problems, but "correct" teaching should reinforce the cold war gospel and lead to a set of pre-determined conclusions:

> Young Americans must be taught that democratic rights and privileges make up the foundation of all that the word America has come to mean throughout the world. They must also learn Communism's strengths and weaknesses in order to warn against its deceit and false promises. This special edition ... provides basic facts for making your students aware of the threat of Communism. It will help them to realize the importance of joining free men everywhere in a determined effort to halt the spread of this totalitarian doctrine which could destroy human freedom.

Even if a teacher had private doubts about preparing students to fight in America's cold war, an open discussion with students that undermined cold war assumptions would have been certain grounds for dismissal.

Space and weapons technology provided a dramatic point of superpower rivalry. Almost no aspect of American life, however, was spared comparison to Soviet communism. Given a nuclear stalemate (but at ever higher levels of missile numbers) and the inability of the superpowers to settle their differences on the battlefield, the war spread to a competition over which of two incompatible "systems" or "ways of life" was superior and more deserving of "winning" the cold war.

The world according to *My Weekly Reader* projected a Manichean struggle between good and evil. On one side stood the incarnation of evil, promoting a dangerous ideology, equipped with weapons of mass destruction, intent on conquering the world. Peering across the abyss was the United States, a moral democracy, defending the freedom of the individual and championing national self-determination. Two great revolutionary theories vied for supremacy, one a communist dictatorship, the other a capitalist democracy. The goal of both was the defeat of the other. All cold war details could be explained within this paradigmatic framework. American material abun-

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dance, according to *My Weekly Reader*, derived from its tradition of individual freedom, while bad harvests and a paucity of consumer goods in Russia were a natural outcome of an inefficient command economy, which penalized individual initiative and diverted resources to military preparations for global conquest. The term "third world" was invented to describe premodern nations which required military and goodwill foreign aid, because their impoverishment made them susceptible to communist misinformation. The Soviets only proposed nuclear disarmament measures, Americans said, for purposes of propaganda. Outer space became cold war territories, conquerable by whichever superpower proved technologically superior.

Not unlike a military campaign, the superpowers measured the cold war contest in land masses and in populations gained or lost by either side. *My Weekly Reader* kept careful track of how many nations and numbers of people fell into the Soviet sphere of influence. As many children of the era remember, the figures were usually accompanied with several "then and now" global maps showing "Moscow-controlled" areas in blood-red ink expanding menacingly, while the size of the area held by the beleaguered "free nations" appeared to shrink yearly.

My Weekly Reader and *Current Events* adhered to this world view throughout the 1950s and taught it to children in a language tailored to their youth. In a 1952 article entitled, "We Live in a Divided World," *Current Events* explained that the free world had defeated a "bad neighbor" during World War II and then hoped for peace. Unlike the United States, the Soviets did not demobilize their armies after the war. They proceeded to break "50 solemn treaties" and "swallowed up other nations." Once again, the "free nations" had to band together to "stop this new bad neighbor." Through no fault of the United States, *Current Events* declared, "We live in a divided world, part captive, part free. We live in a state of 'cold war.'"

The article went on to explain that the Soviet Union was a "neighborhood bully," too strong for the mature world to spank. To contain the delinquent behavior of the Soviets, the United States peacefully devised "weapons other than bullets." NATO, for example, was a "family" agreement between the United States and a free Europe to stand together to "police the neighborhood against any nation which might start trouble."

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My Weekly Reader's and *Current Event's* elementary understanding of the cold war remained constant well into the 1960s. In a 1961 article, *Current Events* dropped the simplistic "neighborhood" metaphor, but again lectured children that the titanic clash with Communism was "much more than a military struggle, although guerrilla fighters, paratroopers, tanks, and nuclear weapons play an important role." The cold war had mostly been "fought relentlessly with economic and political weapons. Propaganda has been another weapon." Action had shifted from Europe to the Asian continent. So far, the United States had averted a major war with Russia, but Soviet designs to coerce or deceive African or Asian nations to submit to communism made these continents volatile points of superpower confrontation.

An accompanying map showed where the "RED ARMY REACHES OUT," and where the United States "as leader of the Free World" needed to "halt communist expansion directed from Moscow." Another 1961 article in *Current Events* explained why America considered no country insignificant in relation to its own national security. Two graphics accompanied the article. A map featured a gigantic China and North Vietnam, both colored communist red, dwarfing South Vietnam and the rest of Southeast Asia. The other illustration depicted an infinite line of falling dominoes. This front page cover story began with the headline: "REDS PLAY A DANGEROUS GAME: DEADLY DOMINOES IN SOUTHEAST ASIA." The first lines of this 1961 lesson explained to children, like Ron Kovic and his friends, why America would probably have to commit itself to a war in Vietnam:

> What happens when you line up a row of dominoes and give them a push? Each domino acts on the other. Soon all the dominoes have toppled. ... The Russians and Red Chinese are giving a cruel push to the Southeast Asian domino countries now. The U.S. and its allies in the Southeast Asia Treaty Organization (SEATO) are trying to keep them from falling behind the communist 'Bamboo Curtain.' What country is next in the Red's deadly domino game? The answer is already clear—South Vietnam.

Cold war propaganda became a lens through which youth were to understand their country and to orient their lives. A reading of the children's press of the period dramatizes the degree to which cold war complications were reduced to formulaic, interlocking assumptions about what meaning should be derived from world events.

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No cold war event epitomized a more tragic loss of objectivity than did the Vietnam War. Oversimplification chained the nation to a wartime mentality that limited the range of choices available to foreign policy decision-makers. Having convinced itself that the Soviet Union had masterminded a decisive showdown on this exotic foreign ground, the United States eventually charged blindly into a cold war theater battle in Southeast Asia that it could not win.

My Weekly Reader, *Current Events*, and teachers practiced self-censorship. Blatant coercion was rarely necessary, because a normative world view existed that discouraged critical thinking, never mind dissent. But censorship also relied on a concerted effort to punish individuals and groups who deviated from a wartime mood that demanded the ideological mobilization of the entire American culture. Since children represented America's cold war future, governments, schools, and citizen vigilante groups subjected *My Weekly Reader* and the children's press in general to severe anticommunist scrutiny.

As late as 1963, for example, the school board of Levittown, the 1950s instant community on Long Island, New York where Ron Kovic was being raised, removed from its classrooms a book written by Emil Lengyel and published by Scholastic—the chief competitor of *My Weekly Reader* and *Current Events*—not for reason of its content, but on the grounds that a vigilant school board member found the author's name on a membership list of a suspected subversive communist organization. Accompanied by the editor of Scholastic, Lengyel faced his school board inquisitors and three-hundred spectators.

Lengyel delivered an impassioned 1,500 word statement detailing his faithful loyalty to America. Yes, he conceded, he was Hungarian born, but he became a naturalized United States citizen in 1927. When anti-fascist and pro-Ally popular-front organizations asked for his sponsorship during World War II, he had happily given it. But when he discovered that they were dominated by communists, he refused further permission to use his name. Now the good citizens of Levittown accused him of disloyalty.

Ironically, Lengyel informed his accusers that he had spent twenty months in a Siberian labor camp after he had served in the Hungarian army during the First World War. He had also published anticommunist books, one of which, 1000 Years of Hungary, the Soviet Union presently banned. Satisfied, the

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Levittown parents who filled the school auditorium gave Lengyel a "rousing applause." Nevertheless, by a margin of one vote, the school board voted to continue the ban.

Unlike Scholastic, neither of AEP's current events periodicals, *My Weekly Reader* or *Current Events*, ever incurred the wrath of any government agency, school district, or anticommunist group. Nevertheless, Terry Borden, a former editor-and-chief of *My Weekly Reader*, has recently stated that AEP naturally took notice whenever anticommunists targeted Scholastic. Scholastic and AEP were not only rivals, they were nervous colleagues in the same industry whenever anticommunism bared its teeth. Did AEP's *My Weekly Reader* and *Current Events* learn from Scholastic's free press battles? "You betcha," Borden responded without hesitation. As a result, *My Weekly Reader* understood that it was "treading a careful line and the easiest thing to do was to not do a story, not talk about it." *My Weekly Reader* escaped serving as a lightning rod for anticommunism, because it scrupulously avoided controversy.

The children's press contributed to a wartime atmosphere that made the Vietnam War and the post-Sputnik nuclear arms race all but inevitable. Given this conclusion, a crucial question remains. For many children, cold war propaganda determined their outlook indefinitely. But for others, it did not. If all children were raised and nurtured in a monolithic anticommunist world view, what explains the later 1960s youth rebellion against the cold war world according to *My Weekly Reader*?

The answer derives from the truth that there is a limit to the effectiveness of propaganda in sustaining a culture's belief system. The longer it deviates from people's perception of reality, the more its foundation crumbles. The United States cold war paradigm could not hold forever. *My Weekly Reader* created a mythical American history, sanitized and distorted for the purpose of recruiting youth ideologically for the indefinite duration of the war. But the paper's world view proved especially vulnerable when these same children came of age and freely questioned its interpretation of the early cold war years.

Born on the Fourth of July at the dawn of the cold war in 1946, Ron Kovic's youthful enthusiasm for his nation's cold war crusade knew no bounds until he charged off to Vietnam, took a bullet, and was shipped unceremoniously back home to Levittown in a wheelchair. He and many others of his generation

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could not help asking themselves, "for what?," when they heard the adults of a divided nation bickering over this same question. Ron Kovic's small sacrifice seemed either forgotten or despised.

Ron Kovic's remembrances, even if romanticized in the telling, do capture a common experience of many of America's cold war children. The pages of Born on the Fourth of July recount the political life of a child aspiring to adulthood, who traveled a path from innocent patriotic idealism to cynical disillusionment. This journey, taken by millions of cold war youths, eventually shattered the cold war consensus that glued the country together during the 1950s and early 1960s. When this veteran of war and other children of his generation later challenged the cold war's underlying premises, the national unity upon which the cold war consensus depended disappeared almost overnight.

The protracted Vietnam War triggered the intellectual disillusionment of many youth with United States' cold war policies. But turning idealistic patriots into rebels also required an emotional ingredient. Sputnik had already added the element of fear to children's disenchantment with the prevailing cold war catechism. Visions of nuclear-tipped missiles streaking towards each child's Main Street, U.S.A. intensified cold war youth's sense of morbid vulnerability.

This pervasive uneasiness added spice to the cauldron of simmering protest. Not since the Civil War would the nation endure a period of such political and social polarization. Tragically, *My Weekly Reader*—like the rest of the nation—paid an exorbitant price for suspending its objectivity while rallying children to the country's cold war mission. Having joined the propaganda stampede for the long duration of the cold war, *My Weekly Reader* traded away its claim to legitimate cultural authority. In the end, it had failed America's children. To children who would know better, *My Weekly Reader* imparted the story of an unsimple world, simply told.

NOTES

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BOOKS

Between Marxism and Pragmatism

by Alan Wald

Christopher Phelps, *Young Sidney Hook: Marxist and Pragmatist* (Ithaca, New York: Cornell University Press, 1997), 257 pp. and illustrations, $35.00

Prior to the publication of Fredric Jameson's *Marxism and Form* in 1971, the indigenous U.S. contribution to socialist theory in the humanities was regarded as little more than an embarrassment to the tradition of Marx and Engels. In 1976, when Perry Anderson's *Considerations on Western Marxism* (1976) defined the field from 1920 to 1975, the U.S. references were exclusively to emigré Marxists, such as Herbert Marcuse. Two years later, the New Left Review anthology *Western Marxism: A Critical Reader* (1978) followed suit. Another ten years passed and Roger Gottlieb made a bid in *An Anthology of Western Marxism* (1989) to expand the terrain by incorporating a visible U.S. component, yet Gottlieb restricted his selections exclusively to comparatively recent scholarship in socialist-feminism by Heidi Hartmann, Barbara Ehrenreich, and Ann Ferguson.

Finally, in 1996, Michael Denning's *The Cultural Front: The Laboring of American Culture in the Twentieth Century* (1996) attempted to rebut the lament of the new left historian Warren Susman in *Culture as History* (1984): "why have we produced no Luxemburg, no Gramsci, no Lukács, no Gorx, no Althusser—no theoretical contributions to the great discussion Marx began well over a century ago?" (p. 424)

Denning devotes the last chapter of his landmark book to answering Susman with the proposition that "the work of radical intellectuals of the Popular Front" constitutes a tradition in Western Marxism rendered invisible by Cold War repression and sectarian

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infighting. Denning names Sidney Hook, Kenneth Burke, Louis Adamic, Cary McWilliams, Oliver C. Cox, Elizabeth Hawes, Sidney Finkelstein, and C. L. R. James as key figures to represent "the American 'Western Marxists.'" Moreover, he specifically cites Hook's effort to "'Americanize' Marxism by fusing it with pragmatism" in *Towards the Understanding of Karl Marx* (1933) as among this group's "powerful contributions to an emancipatory cultural studies." (p. 425)

Intellectual historian Christopher Phelps shares with Denning the conviction that Hook's early 1930s effort to realize the promise of pragmatism in a Marxist framework was for the most part salutary. But Phelps goes further and applies to the Hook case the specificity of rigorous research, asking the hard questions, to produce in the end a very different vision of Hook's work that ought to make one hesitate before engaging in any quick assimilation of Hook to either Popular Front culture or even the tradition of Western Marxism.

Young Sidney Hook is Phelps' brilliant lucid portrait of a scholar, adversarial by temperament, who turned his extraordinary powers of analysis and polemic successively against capitalism, Stalinism, and the New Left. Hook was the son of a poor Jewish tailor in Brooklyn; the son's first name was changed from Saul to Sidney in an effort to shake off the immigrant past when he began public school. A radical student at the City College of New York, he became totally devoted to philosophy while doing graduate work at Columbia University. In 1927 he was hired by the philosophy department at New York University, becoming its chair in 1934. This remained his home base until his 1973 retirement, after which he took up residence at the conservative Hoover Institution in Palo Alto. When Hook died at age eighty-seven in 1989, he left a confused, and variously appropriated, legacy that demands the attention of all those who seek to extend the revolutionary socialist tradition into the twenty-first century.

Any leftist who tries to understand Hook's political and philosophical trajectory will be haunted by questions such as the following: How could someone who set out to rescue the democratic and self-emancipatory elements of Marxism end up in the camp reaction? Was his anti-Stalinist critique flawed from the outset? Was Hook's goal of redeeming the experimental features of pragmatism for the Marxist project the scratch that evolved into full-blown gangrene?

Partisans of the Cold War and the "neoconservative" Hook have explained his evolution as the triumph of American pragmatism over Marxist dogma. Those who wrote sympathetically about the early Hook from the radical generation of the 1960s, such as Paul

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Buhle (*Marxism in the USA*, 1987) and myself (*The New York Intellectuals*, 1987) have seen Hook's pragmatism as the vehicle by which he facilitated his political transmogrification. Phelps now argues compellingly, and with a wealth of documentation, that the emancipatory features of Hook's 1930s Marxism were made possible by the influence of pragmatism, and that his pragmatism suffered when Hook progressively abandoned Marxism in the late 1930s.

Hook's own efforts to ensure the memory of his version of this legacy have added to the confusion. Not only did he actively suppress the republication of his most extraordinary Marxist study, *Towards the Understanding of Karl Marx* (1933). Hook also issued a long autobiography, *Out of Step* (1987), that is misleading about his political record, although more along the garden-variety technique of omission and select emphasis than through outright falsification. The autobiography also fails to fully address the complexities of his philosophical thought and its development over the decades. Thus Phelps' study is an indispensable correction as well as fresh contribution in these areas.

In five chapters of forty or fifty pages each, Phelps demarcates key moments in Hook's career. From the Russian Revolution until 1930, Hook was clearly sympathetic to the international and the U.S. Communist movements. In these years he carried out studies under philosophers Morris Cohen and John Dewey, polemicized against the heretical Max Eastman (who held that Hegel corrupted Marxism), and conducted research on Marxist philosophy in Europe and the USSR.

For the next three years, 1930 to 1933, Hook attempted to establish his own original Leninist viewpoint, culminating in *Towards the Understanding of Karl Marx*. This brought down on his head the wrath of orthodox members and leaders of the Communist Party, especially the future "cultural commissar," V. J. Jerome, and coincided with his growing attraction to Trotskyism.

From 1933 to 1936, Hook fomented a revolutionary Marxism independent of the party, and he personally sought to develop new revolutionary organizations. This is especially evidenced in his championing of a fusion between A. J. Muste's American Workers Party and the Communist League of America (Trotskyist), followed by his promotion of the entry of the new organization into the Socialist Party. Simultaneously he wrote a second Marxist classic, *From Hegel to Marx* (1936), to which Phelps provides an illuminating introduction for the 1994 paperback reprint by Columbia University Press.

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After that time, a new and distinct kind of political evolution was in progress, somewhat characteristic of a trend in the late 1930s, but not of intellectuals properly subsumed under the aegis of the Popular Front. While Hook devoted himself to defending Leon Trotsky in the Moscow purge trials and excoriating Popular reformism, his ties to the revolutionary socialist movement itself progressively unravelled. Phelps theorizes 1938 as the year of Hook's "turnabout," in the sense that he made an unacknowledged shift to the defense of capitalism and imperialism as the only alternatives to the threats of Stalinism and Hitlerism.

From then until 1973, when Phelps' narrative ends, Hook's story is the depressing tale of a tenured ex-radical devoting his position and talent to developing liberal-sounding arguments to rationalize conservative causes. His most famous polemic, which eclipsed his contributions to philosophy among the broader public, was *Heresy, Yes—Conspiracy, No!* (1950). This was aimed at purging teachers who, like his younger self, were sympathetic to the Communist cause. Phelps' argument focuses convincingly on the transformation of the concept of "democracy" in Hook from a legitimate critique of bureaucratized socialist movements (as well as capitalism) into an increasingly abstract weapon of polemic that masked his growing alliances with some of the very social forces he once opposed.

One additional way that Phelps mapping adds a new perspective to Denning's *The Cultural Front* is that, due to the amount of space available, Phelps uses Hook's legacy to confront with candor and equanimity many of the political conundrums at the heart of the left experience. Denning, in fact, seems not to grasp the impact of Trotskyist thought on Hook when he describes Hook's left critique of the Popular Front as a reversion to the Communists' critique of Social Democracy as "social fascism," which Hook had earlier claimed to oppose. This is suggested by extracting a sentence from a Hook essay where he warns that a program of defending capitalism has the potential of opening "the gates to the fascists." (p. 432)

Phelps' book argues that Hook's disagreements with the Popular Front were consistent with his earlier critique of social fascism. The crucial link is a belief that workers' self-emancipation is the cornerstone of his view of "democracy" and the decisive criterion for socialist advance; Hook was by no means opposed to either reforms or alliances that genuinely strengthened working-class autonomy. In other words, Hook's unique role cannot be fully explained from within the Popular Front conceptual apparatus. One

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requires the understanding of the autonomous features of left anti-Stalinism and the relevant categories which *Young Sidney Hook* so admirably vivifies.

However, *The Cultural Front*'s treatment of Hook has the virtue of attempting to theorize the left intellectual experience in a unified manner, emphasizing that commonalities among figures who might seem as disparate as the Trotskyist-influenced Hook and C. L. R. James, the left-liberal McWilliams, the fellow-traveling Burke, and the Party member Finkelstein. This is certainly a step forward from those who simplistically vilify, put in boxes, and then write off "Trotskyists," "Stalinists," "social democratic traitors," and "Popular Front liberals" in favor of their own sectarian purity. In the end, I hope that Denning's non-sectarian approach will win out, if the left is to transcend past crippling splits and rise to unite on a new basis. For socialist activists, however, the new unity prefigured by Denning must also be based on the critical assimilation of the kind of scholarship Phelps provides.

Phelps' focus on the "young" Sidney Hook is a compelling choice. The problem in Hook scholarship to date is that it is driven too often by those who assess the early and most important writings according to their opinions of his later evolution. Conservatives downplay Hook's Leninist critique of the Communist movement and the revolutionary Marxist principles to which he attempted to assimilate pragmatism. Radicals fixate on his red-baiting career and some make the mistake of confusing his Marxist anti-Stalinism with Cold War liberalism.

Phelps takes us through the maze of Hook's evolution with evenhandedness and attention to detail. Indeed, the illuminating explanation of Hook's political and philosophical journey takes the form of nearly a sub-chapter on each year between 1927 and 1940. This attention to nuances and subtleties pays off impressively when Phelps passes judgment on alternative claims, not only on intellectual matters but personal ones, too. For example, he seems eminently fairminded in handling contradictory stories about Hook's alleged Party membership, and the role of Hook's first wife (a minor Party functionary from whom he separated as he departed from Stalinism). In treating Hook's later years, Phelps' use of restraint rather than vitriol sets a high standard, and is probably more effective in getting the point across. His treatment of Hook's complex relation to Trotskyism is a model for explaining how intellectuals can relate to ideologies and organizations along a changing spectrum of possi-

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bilities. The same approach surely needs to be applied to many intellectuals in relation to the Communist Party.

Equally impressive is the answer Phelps offers to the charge that pragmatism was the cause of Hook's downfall. The book aims to clarify Dewey's use of "instrumentalism" and "science" to show how, in fact, pragmatism was helpful in Hook's rescue of the emancipatory features of Marxism from Stalinist and social democratic trends. In a masterful conclusion, Phelps returns Hook to the tradition of Western Marxism, albeit as a unique variant distinguished by his period of activism, his internationalism (connected with his rejection of the leadership of the USSR as synonymous with the left), the "crystalline clarity in his prose" (which can be said of Phelps as well) and his attempt to rescue rather than redefine classical Marxism. Hook's flaws are addressed as well, especially his overemphasis on "plans of action" as the explanation for success or failure in history. This aided his rightward evolution as he turned toward a moral condemnation of Lenin and Trotsky as the ones responsible for the degeneration of the Russian revolution into a dictatorship. Thus the political narrative of *Young Sidney Hook* is also a fine addition to the literature of deradicalization, and a welcome alternative to those relying on the simplistic theme of "selling out."

Having lived through the experience of moving from an existentialist to a Marxist outlook in the 1960s, I have always felt that I understood how Marxism, which can seem to ossify in the hands of an older generation, might be appropriated anew by coming into contact with other radical systems of thought. Recognizing the strengths of these other systems has the potential of inoculating one against dogmatic, economist, and chiliastic versions of historical materialism. In more hopeful moments I have even entertained the idea that some of the younger adherents of the contemporary vogues of postmodernist and postcolonialist theory will, under the impact of the class struggle, undergo an analogous evolution. Pragmatism, however, always seemed too closely entwined with liberalism's undialectical caricature of the Marxist project. It also seemed historically bound to the generations of Dewey and Hook, as a way out of, and not into, the revolutionary socialist commitment. Now, at last, Christopher Phelps has shown me how precisely such an evolution occurred when, under the impact of Depression conditions, Hook argued that experimental reason and participatory democracy could only be realized in a classless society.

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Blacks, Whites, and Reds

by Michael D. Yates

Roger Horowitz, *"Negro and White, Unite and Fight": A Social History of Industrial Unionism in Meatpacking, 1930-1990* (Urbana, Illinois: University of Illinois Press, 1997), $17.95, 373 pp.; Earl Ofari Hutchinson, *Blacks and Reds: Race and Class in Conflict, 1919-1990* (East Lansing, Michigan: Michigan State University Press, 1995), $27.95, 338 pp.

Readers of these two interesting books might find it odd to see them reviewed together. Horowitz has written a riveting account of the formation and development of one of the nation's most progressive unions, while Hutchinson barely mentions the labor movement in his study of the complex relationship between the U.S. Communist Party and African Americans. Yet both books have as major themes the connections between class and race. Horowitz shows that the United Packinghouse Workers of America made the oppression of black America, both inside the packinghouses and in the larger society, central to its struggle to organize the plants. This strategy, based in large part upon the beliefs of the radicals (including many open Communists) without whom the union would not have been formed, was successful and could have and should have served as an example for the entire CIO. In meatpacking, then, red and black alliances were made and led to glorious results. On the other hand, Hutchinson examines the overall connection between reds and blacks and, for the most part, finds decades of misunderstanding, cynicism, and failures.

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Let's look first at the Hutchinson book since it deals with more general issues. Soon after its founding in 1919, the U.S. Communist Party realized that black workers were not the same as white workers in that they faced a much wider and deeper oppression, including the unremitting racism of white workers themselves. This realization generated a long and often agonizing debate within the Party over how best to reach and liberate black workers. As Hutchinson points out, however, this debate was circumscribed by the Party's unshakeable conviction that the working class as a whole was the only agent capable of the overthrow of capitalism. So while black workers might have a special role to play within the working class, they were still, foremost, a part of the working class, and no hope for revolution could be sustained outside of the ultimate unity of the working class. The trouble was that many African Americans did not make class distinctions among whites. The labor unions, for example, often barred black workers from membership, and white workers resisted, sometimes with violence, any employer use of black labor. Some employers, such as Henry Ford, were looked on with favor by some black leaders because they did hire black workers. Antipathy toward whites generated powerful "nationalist" movements in black communities, from Marcus Garvey's Universal Negro Improvement Association to Elijah Muhammad's Nation of Islam. The Communists saw such groups basically as nonrevolutionary, but the strong support which they had among African Americans meant that the reds had to find ways to compete with them.

At another point on the political spectrum were the more conservative integrationist organizations such as the NAACP. These groups sought the entry of blacks into the American mainstream and accepted much of the mainstream's individualistic, pro-capitalist ideology. The NAACP had the allegiance of most African Americans, who applauded its strong opposition to the racism which denied the entry of blacks into the mainstream. Again the Communists were faced with the dilemma of confronting a popular organization, challenging its conservatism while not alienating its members and supporters. An equally difficult problem was that posed by the anti-communist radicalism of people like A. Philip Randolph. Randolph was obviously not hostile to labor unions or to an integrated working class fighting the employers. But he was antagonistic to the reds, often virulently so. How could he and his supporters be made into allies?

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Compounding these problems of politics was the fact that the Communist Party was founded largely by white immigrant groups influenced by the Bolshevik Revolution. It was dominated by whites, who, themselves, were not immune to racism. This meant that whatever overtures the reds made to African Americans would be made more difficult by racism inside of the party. Hutchinson does a good job of describing the various twists and turns made by the reds to win the support of the black masses while at the same time fighting against red racism. At times, however, he perhaps unjustifiably criticizes the sometimes doctrinaire manner in which the Communists fought internal racism. After all, how many other organizations were making any attempt at all to struggle against the nation's primary social disease? And no one can deny that the reds fought racism in the larger society, usually at great risk to life and limb.

Hutchinson makes the usual criticisms of the Communists. Ultimately they were subservient to Moscow, and this forced them to embrace policies detrimental to the building of an effective radical party here at home. We are all aware of the somersaults turned by the Party when Stalin made his pact with Hitler. Then when Germany invaded the Soviet Union, the Communists turned overnight from pacifists to gung-ho supporters of the wartime no-strike agreements made by the unions. But Hutchinson points out that prior to the pact with Hitler, the Soviet Union had been complicit in the Italian slaughter of Ethiopians several years earlier. The inability of the U.S. Communists to distance themselves from the Soviet Union cost them dearly in terms of support from African Americans.

Hutchinson also argues that the Communists were never trustworthy allies, ultimately more interested in building up the Party than in liberating black Americans. They were adept at creating "front" groups, seemingly independent but under Party control. They were also skilled at "boring from within," that is, gaining entry into an organization and using their discipline to get control of it. An organization with which the reds had built an alliance could never be sure that some doctrinal shift would break the alliance and lead the Communists to form their own organization. All of these activities generated tremendous distrust of the Communists in the noncommunist black organizations and within the larger black community and ultimately doomed to failure even the best red efforts such as the American Negro Labor Congress, the International Workers Order Mutual Benefit Society, and the National Negro Congress. Hutchinson sums all of this up at the end of the book:

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During the last century, many Communist Party members believed deeply in racial equality. Their campaigns against segregation, political repression, and economic equality resulted in many landmark decisions that advanced the cause of civil rights and racial justice in America. But despite their efforts, black leaders have repeatedly asked Communist leaders two questions. First, did they fight for black freedom because they sincerely believed in it? Second, given the volatile mix of racism and anti-communism in America, could blacks afford to be red, too?

DuBois, Randolph, Garvey, King, Malcolm X, Carmichael, the Panthers and the Black Muslims have not been satisfied with the answers Communists have given to either question. But how could they be? With the exception of one short moment in American history—the Depression years—Marxists have never had the type of mass following that would allow them to offer blacks an ironclad assurance of their sincerity or their security.

Thus while blacks could at times throughout recent history applaud them for their civil rights efforts, and even rally behind black Communist leaders when they were under fire, they could never really embrace the Reds. It has been that way because whenever the two groups have met, there has been a clash of race and ideology that more than a century of struggle has not resolved—and now, perhaps, never will.

While Hutchinson does a good job of scrutinizing the shortcomings of the racial strategies of the reds, he fails both to adequately discuss the failings of the many other groups agitating for racial equality and to fully examine significant red successes. After all, the NAACP's distrust of the reds had a lot to do with this organization's overall conservatism. It would have been a boon to black workers if the NAACP had eagerly endorsed the CIO, but it did not. Hutchinson implies that the Communist National Negro Congress betrayed its independent commitment to black liberation when it signed a formal pact with the CIO, a pact which the NAACP "turned ... down flat." But think how much more powerful the CIO and black America might have been had the NAACP followed the NNC's lead. Similarly, while the author criticizes the Communists' "Black Belt" hypothesis, he is a little kinder to the many dubious principles of the various black nationalist groups. As onetime Party leader, Dorothy Healey, said, "when we make mistakes, it's considered part of a terrible conspiracy; and when others do, it's just a momentary lapse of judgment."[1]

Hutchinson says that only during the Great Depression, specifically during the period of the Popular Front, did the Communists enjoy any real success among blacks. This is not entirely true. One would never know from reading this book that a black Communist, Benjamin E. Davis, won election to the New York City Council in 1943. This despite the argument made by Hutchinson that the reds were everywhere on the decline during World War Two. Davis spoke to large rallies throughout the city, in white communities as well as

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black, and won the support of black workers, intellectuals, artists, and musicians, some of whom paid heavy prices during the postwar red scare. Davis's victory was part of what Horne calls a "red resurgence," a period in which Party membership and support was growing, despite all of the errors which Hutchinson spends so much time elaborating. Hutchinson's failure to give the reds their due in this period helps to account for the rather strange absence in the book of a treatment of the savage repression of the Party after the war. The idea that the primary cause of the demise of the Communist Party was government oppression would not fit Hutchinson's overall analysis of blacks and reds.

Hutchinson calls the period of the Great Depression and the Popular Front the Communist Party's "heyday." Yet he devotes little space to the CIO, the one organization in and through which the reds had a lasting effect upon the lives of black Americans. The CIO was to no small degree given birth by Communists, and largely as a result of red anti-racism, the CIO stood up for black workers and their communities. As W. E. B. DuBois, himself, stated,

> Probably the greatest and most effective effort toward interracial understanding among the working masses has come about through the trade unions.... As a result [of the organization of the CIO in 1935], numbers of men like those in the steel and automotive industries have been thrown together, black and white, as fellow workers striving for the same objects. There has been on this account an astonishing spread of interracial tolerance and understanding. Probably no movement in the last 30 years has been so successful in softening race prejudice among the masses.[2]

Eventually the CIO abandoned its staunch anti-racism, probably the single most serious mistake it ever made. However, this error was also part of a larger shift to the right of CIO politics and a wholesale assault on the reds, who, to their credit, continued to wage war against racism and kept up their efforts to organize black workers in the South. If we fail to acknowledge the success which the reds had in building the CIO and through it helping to build nonracist unions and a nonracist society (and, conversely, if we fail to see the connection between racism and anti-communism), we miss something of great importance in the relationship between reds and blacks.

Fortunately Roger Horowitz's exceptional history of the United Packinghouse Workers of America (UPWA) provides us with a more nuanced account of this relationship, in the context of the establishment of a remarkable union. The UPWA was formed by radicals, some Communists and some not, in the nation's meatpacking centers of Austin, Minnesota, Chicago, Kansas City, and Sioux City, Iowa.

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The Chicago workers were the most numerous in the industry, and without their organization the union could not have succeeded. Chicago also had a large contingent of black packinghouse workers, many of them in critical jobs on the kill floor, and the union could not succeed unless these workers supported the union. Not coincidentally, Chicago was also where the Communists were strongest in the union, and they championed the unionization of black workers and the development of a completely interracial union. So, the strength of the reds helped to commit the union to racial equality and the union's anti-racism helped to make the union victorious in the first place. The power of the Chicago unions was felt throughout the union throughout its history, giving the UPWA a radical character shared by other left-led unions but unique in that it survived the anti-communist purges of the post-World War Two witch hunts.

The CIO leadership, which had formed a Packinghouse Workers Organizing Committee in 1937 to consolidate the various local efforts to unionize and forge a national union, tried to force the union into the top-down bureaucracy of the United Steel Workers model, using every tactic available, including anti-communism. However, the members, again led by radicals (who themselves were often in disagreement), would not stand for this and ultimately were able to form a democratic union, the UPWA, in 1943. It is interesting to note that many of the reds in the union were leaders of this movement for democracy, and it is also important to grasp that democracy in the union was very much to the advantage of black workers. Even during World War Two, when the reds, according to Hutchinson and most other historians, actively condemned rank-and-file job actions (so as not to damage the war effort, i.e., so as not to help the Nazis defeat the Soviet Union), local reds in the UPWA did not abandon their members. The reds supported job actions and therefore, contrary to Hutchinson's thesis, consolidated their alliance with black workers.

Space does not permit a full accounting of the UPWA's history. Suffice it to say that this union transformed the lives of its members, who saw their living standards improve dramatically and their sense of worth as human beings soar. Remember that working in a packinghouse, preparing animals for our supermarkets, must have been (and by all accounts still is) a little like laboring in hell. Imagine extremes of hot and cold, vile smells, blood all over the place, sharp knives, slippery floors, and a killing pace, and you might begin to get

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the idea. Just the names of the jobs is chilling: Stockhandlers, knockers, shacklers, stickers, beheaders, hide removers, skinners, leg-breakers, foot-skinners, backers, rumpers, hide-droppers, butchers, gut-snatchers, gutters, splitters, and luggers. And the key workers were those on the "killing floor." No wonder black workers made early inroads in the packing houses; white workers went elsewhere when they had the chance.

The workers were badly split by race, ethnicity, and company policy when the Depression struck. The devastation wrought by the slump, however, made workers more open to radical change, and the radicals who had been patiently organizing or waiting for an opening took advantage of this. Unity had to be forged between the hostile groups, especially blacks and whites. To their everlasting credit, it was the reds, and not the NAACP or any nationalist group, who played the critical role in achieving this. During the Depression, the war, and well into the 1960s, black and white workers in the UPWA fought together, not just to better their working conditions and wage rates, which they did, but to fight for civil rights in the factories and in the communities in which they lived. White and black workers actually used mass tactics such as sit-ins, marches, and boycotts to integrate hotels, restaurants, and stores before the civil rights movement did the same. At every level of the union, black workers were leaders, and they helped to build a union in the 1940s and 1950s which was about the most interracial organization in the nation. Unlike many other CIO unions, the UPWA made race a focus of union efforts, and it never purged the radicals who led them. Furthermore, the union's structure maintained local control over the national union, itself of great importance to black workers, and never gave up the local unions' right to strike; nor did it shy away from actions which were of dubious legality to maintain control over the pace of work.

Concretely, the UPWA achieved to following contractual provisions which were instrumental in winning equality for black workers: (1) equal pay for equal work; (2) an end to the lower wages for southern workers, many of whom were black; (3) open access to the highest paying jobs; (4) the continuation of seniority during layoffs, so that black men and women who entered meatpacking during World War Two, could get their jobs back when employment levels regained their wartime highs; and (5) an anti-discrimination clause which not only prohibited discrimination against employees but added the word "applicants" so that the union could attack discrimination in hiring. In connection with this last provision, Horowitz tells us that

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In 1950 the Swift union arranged for both black and white women to apply for jobs and carefully monitored the employment office to determine the company's response to the applicants. While white women were courteously ushered into a back room, interviewed, and then hired, company officials brusquely turned black women away with the excuse that there were no openings. The local filed a grievance against Swift and won a landmark ruling requiring the company to hire the black women with back pay from the date they had initially applied. The international union widely publicized the Chicago victory and pressed other local unions to follow a similar strategy.

Of course, we cannot attribute these achievements solely to the reds, but neither can we neglect their role or minimize it as Hutchinson all too often does. Horowitz also reminds us that the reds were not the only radicals in town. Trotskyists, IWW members, and Socialists played important roles in both the union organizing and the union's commitment to anti-racism.

I have focused this review on what these two books tell us about the relationship between reds and African Americans. This is somewhat unfair to the Horowitz book, which investigates a lot more than this. The book includes much important material on women in the union. While the UPWA greatly improved the conditions of women in the plants, its anti-sexism did not match its anti-racism. In this it shared much with the reds, whose own organizations usually relegated women to support roles. Ironically the UPWA was sued by women members under the Civil Rights Act to end sex-segregated job classifications. Of greatest significance was the union's devotion to rank-and-file control of both the union and the jobs. The UPWA devised a system of "chains," consisting of all of the locals of the same plant. Whenever a serious problem arose on the shop floor of one local, quick communication with the other locals in the chain could lead to job actions in all of the plants. The national officers did not, unlike their counterparts in the UAW and the rest of the CIO's top-down unions, condemn local job actions as inimical to the "accord" allegedly made with employers. Instead they used them to pressure employers into respecting their members' power. In other words, the UPWA did not succumb to the bureaucratic, conservative, and anti-communist program so prominent in the rest of the union. What Len De Caux said about these unions could not be applied to the UPWA (and, I might add to most of the left-led and anti-racist unions purged from the CIO):

Once the CIO won all that capitalism would allow it. . . sitdowns and mass struggle gave way to union administration, dues collection, labor board briefs, detailed negotiation. The swivel-chair tribe began its own long-lasting sitdown in union office. This tribe rode to office on the broad shoulders of Lewis and the backs of the agitators, the militants, the reds. Once they arrived they turned—dutifully, patriotically, devoutly—to kick in the face those on whom and over whom they had scrambled.

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Largely because the rest of the labor movement refused to follow the lead of the UPWA, the union was not able to resist the radical restructuring of the industry in the 1960s, 70s, and 80s. Plants in the union strongholds were closed and moved to nonunion rural areas, a move made possible in part because of technological changes in both the packing of meat and its distribution. The union simply did not have the resources to organize the new plants, and the rest of labor did not see fit to help. Today the gains won by the UPWA have been largely reversed and the Latino, Asian, and poor white workers who prepare our meat work under conditions not unlike those which prevailed before the UPWA waged its heroic struggles.

The demise of the UPWA is one of labor's great tragedies. So too is the collapse of the Communist Party and the left-led unions nourished by the blood of reds both black and white. We need to study these great movements of the past, not just to point out in relentless drumbeats their failings but to celebrate and learn from their achievements. I have a feeling that when we do, we will see that the labor movement will not be rebuilt and racism will not end without the efforts and ideas of a lot more "reds."

NOTES

1. Gerald Horne, "The Red and the Black: The Communist Party and African Americans in Historical Perspective," *New Studies in the Politics and Culture of U.S. Communism,* ed. Michael E. Brown, et. Al., (New York: Monthly Review Press, 1993).
2. Cited in Michael Goldfield, "Race and the CIO: The Possibilities for Racial Egalitarianism During the 1930s and 1940s," *International Labor and Working-Class History* No. 44 (Fall 1993), p. 2.

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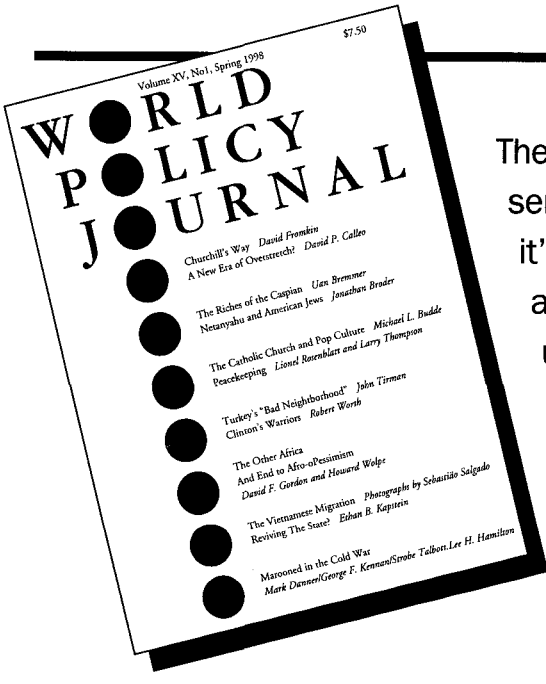
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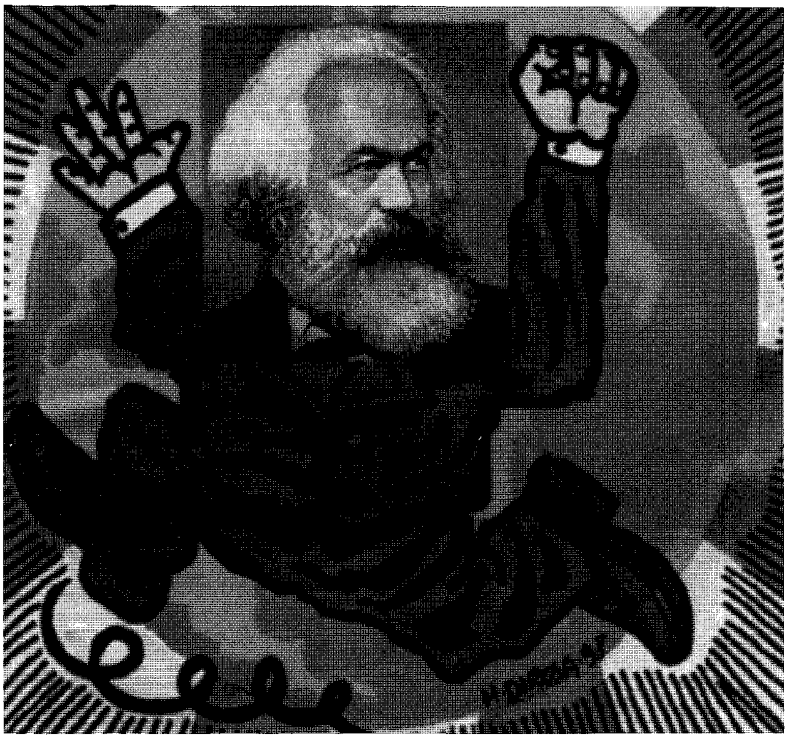

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has been talked about and what that tells us about (if readers will pardon the expression) American political culture.

In her piece on the movie in the *Nation* (July 6, 1998), Patricia J. Williams, who on the whole liked the film for all its shortcomings, remarked that "despite the range of *Bulworth's* controversial aspects, the most-discussed issue in the media has been not its take on healthcare or the insurance industry or campaign finance but the interracial relationship between the sixtyish Bulworth [played by Warren Beatty] and the balefully beautiful and very young flygirl played by Halle Berry. Most editorializing about the movie has treated Berry as though she were Beatty's own black Monica Lewinsky."

Now that observation, for a start, says a lot about political discourse in the U.S. Warren Beatty talks about healthcare, campaign finance, and even more fundamentally, race and class. The media give us Monica Lewinksy. So the standard approach to this movie is just another expression of what passes for political debate in mainstream U.S. culture. Whether the issue is healthcare, race and class, or U.S. imperialism, the media can always find ways to trivialize or change the subject.

But in the case of *Bulworth*, the Lewinsky figure is black, and that means the critics can't avoid the issue of race. So how do they tackle it? Williams tells us how she kept getting calls from reporters asking for her reaction to the interracial relationship. They would ask "Isn't it novel! exciting! touching! revolting!." In other words, the message for them came down to how we feel about miscegenation. Racists will display shock and horror, but for some liberals, it seems to be the answer not just to racism but to social disunity in general. Even Warren Beatty has said that the answer is "fucking everyone until they're all the same color"—which, as Williams suggests, is just an earthier rendition of Arthur Schlesinger's "we can count on sex and love to defeat those who would disunite America." "Fine, if it's true," Williams observes, but the simple truth is that, in the face of brutal social and political realities, "'procreative racial deconstruction,' as Beatty calls it, means diddly."

There's more, though, to *Bulworth* than that. The movie is important not least because, as Williams emphasizes, "it's about racism's intersection with America's deep, and growing, class divide." That's not a theme we would expect to find prominently displayed in the American press, so we shouldn't be surprised that in commentaries on *Bulworth* it gets lost in the drama of interracial love and sex.

Like other social problems, the problem of racism is often trivialized in American political discourse, but at least it gets talked about—quite a lot, actually. It's apparently much easier, though, to talk about race than about class, let alone their intersections. Race is the open wound in U.S. society. Class is its dirty secret.

(Continued on page 10)

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